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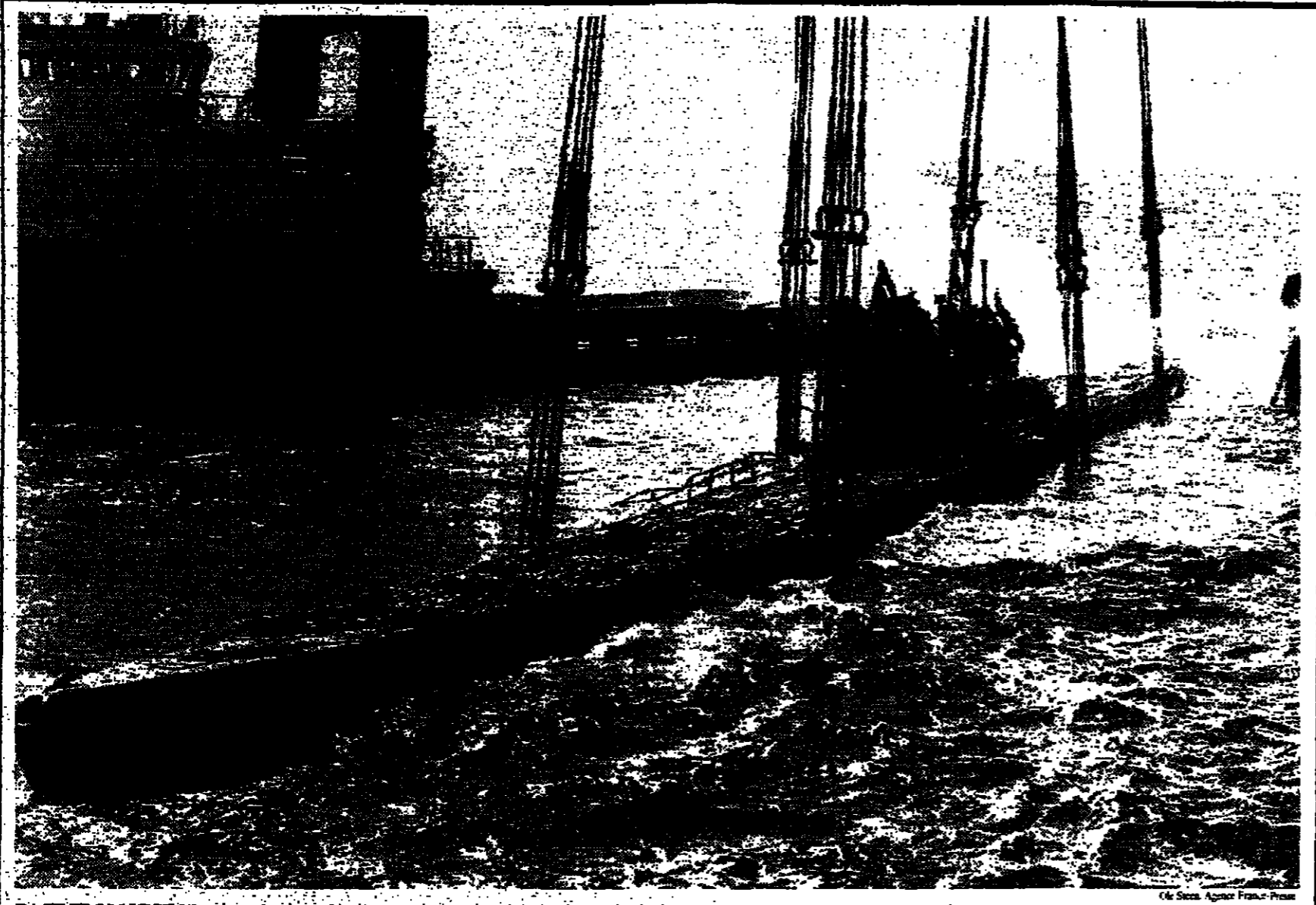
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LONDON, TUESDAY, AUGUST 24, 1993

ESTABLISHED 1887

Table with exchange rates for various countries including Algeria, Angola, Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Kuwait, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and USA.



BACK FROM HISTORY — A German U-boat breaking the surface on Monday, 48 years after it was sunk at the end of World War II. A Danish-Dutch consortium brought the U-534 up from a crevice a few miles north of the Danish island of Anholt, where it went down on May 5, 1945. The group said the boat was in "fantastic shape."

Japan Vows to Pursue Conciliatory Course

War Apology Likely to Ease Tension in Asia Hosokawa Says Trade Surplus Must Be Cut

By Michael Richardson International Herald Tribune SINGAPORE — The formal apology by Japan's new prime minister for his country's wartime aggression will help reduce tensions and hasten reconciliation in Asia, especially between the region's two leading powers, China and Japan, analysts said Monday. In his first policy speech since taking office earlier this month, Prime Minister Morihiro Hosokawa went further Monday than any other leader of Japan since its defeat in World War II by acknowledging the extent of brutal Japanese behavior in East Asia between 1910 and 1945. Asian analysts said that the remarks appeared to mark a turning point in Japan's efforts to forge closer political, cultural and security ties with other Asian nations to buttress its already extensive economic links in the region. "A Japan that can say this is indeed a new Japan," said Noordin Sophie, director-general of the Institute of Strategic and International Studies in Kuala Lumpur. "The old Japan could not have said it," he added in reference to the 58-year rule of the Liberal Democratic Party, which ended when Mr. Hosokawa took power at the head of a multiparty alliance committed to sweeping political change. Leaders of previous Japanese governments, evidently fearful of alienating influential rightists and triggering an avalanche of compensation claims by Asian victims, refused to admit explicitly that Japan had fought a war of aggression in Asia or to apologize for Japanese actions. For example, Kiichi Miyazawa, the last Liberal Democratic prime minister, said in Bangkok in January at the end of a Southeast Asian tour only that "based on their remorse over Japanese past actions," the Japanese people would never again allow their country to become a military power. Japan's refusal to openly acknowledge its past had fueled suspicions in East Asia that the Japanese government felt no real regret for what had happened before and during World

Where the Gulag Ruled, Jailers Dread Uprisings

By Fred Hiatt Washington Post Staff Writer KIROV, Russia — Yevgeni Utkinovich pressed against the bars of the exercise yard, his bare chest revealing a splendid tattoo of the Virgin Mother and Child. "It's not so bad here," said the inmate of this high-security labor camp 240 kilometers (150 miles) east of Moscow, who — like everyone else here — is a repeat offender. "Still, things are better on the outside." No one would dispute that after plunging the network of prisons and camps that Russia inherited from the Soviets, Gulag — what Russians call simply, and with dread, "the Zone." Squeezed between dwindling funds and a rising crime rate, Russia's prisons and their million inmates are in turmoil, with officials and prisoners warning that explosions could come at any time. In the last few weeks alone, an uprising at a prison near here ended violently, while in Siberia 23 prisoners managed to tunnel to freedom. The warden of Moscow's infamous Butyrka Prison said his inmates were so densely packed that they routinely collapsed from insufficient oxygen or swollen legs. Prisoners look forward to interrogation, he added, because then they might catch a few minutes' sleep. Tuberculosis is rampant, food is terrible and the sewer pipes have disintegrated. In theory, life has improved for inmates since the collapse of the Soviet Union and the Gulag system that Alexander I. Solzhenitsyn described. Political prisoners have been freed and

French Rate Move Signals An End to Currency Crisis

By Erik Ipsen International Herald Tribune The Bank of France on Monday took its largest step yet toward proclaiming last month's currency crisis dead and buried. It surprised the markets by removing an emergency lending rate that it had put in place in July in a last-ditch effort to defend the franc. "I think the Bank of France wants to send a message that the crisis is over," said Jean-Francois Mercier, French economist at Salomon Brothers. While that may be true, one key interest rate still has yet to be returned to pre-crisis levels. More important, the move Monday begs the larger question of when and whether Paris will slash interest rates that have been widely seen as a sure sign of high inflation. Early on Monday the Bank of France cut its emergency overnight rate by half a percentage point to 7.75 percent. Hours later, the central bank suspended that rate entirely. The franc weakened a little against the Deutsche mark, standing at about 3.4851 to the mark in late New York trading, compared with 3.4797 on Friday. Attention now shifts to France's key 3-to-10-day repurchase rate, which sets the ceiling for all other short-term interest rates. During last month's turmoil the repo rate was lifted from 7.75 percent to 10 percent, the level at which it remains. Economists now expect that rate to return to its previous levels as early as Tuesday. Only when that happens will the book be closed on France's costly battle to defend its currency and the European currency grid in which it had pinned its hopes for a united Europe. Only then can politicians and central bankers begin to contemplate the sort of interest rate cuts almost universally seen as necessary to stimulate France's flagging economy. With inflation running at 2 percent, economists point out that even the old price of 3-10

The JFK Files - 800,000 Pages' Worth

The Associated Press WASHINGTON — The government on Monday unlocked 30 years of secrets about John F. Kennedy's assassination — from CIA speculation about possible Soviet involvement to a second-hand report that Lee Harvey Oswald boasted that "I will kill the president." The 800,000 pages of documents were released in accordance with a law passed last year that calls for almost all information on the 1963 assassination in Dallas to be released by the National Archives. The documents will be pored over by historians and reporters trying to shed new light on the killing. But they should also provide fertile ground for conspiracy theorists. Thousands of the documents chronicle the effort by the Central Intelligence Agency in the months after Mr. Kennedy was killed to determine whether there had been foreign involvement. Other detail efforts by the Warren Commission, which investigated the 1963 assassination, the follow-up Rockefeller Commission in 1975, the FBI and others to answer persistent questions in the decades that followed. Portions of many of the released documents are blacked out because the information in them is still classified. The Warren Commission concluded in 1964 that Mr. Oswald, acting alone, killed the president with a rifle from his perch in a sixth-floor window at the Texas School Book Depository in central Dallas. Since then, however, numerous conspiracy theories have surfaced, revolving around whether Mr. Oswald was the lone gunman and, if he was, whether he might have been acting at the



The rifle used to kill President Kennedy, shown in a photo released Monday.

Saudi Arms Funds: A U.S. Boon That Might Backfire

The following article is based on reporting by Stephen Engelberg, Jeff Gerk and Tim Weiner. It was written by Mr. Engelberg. WASHINGTON — Saudi Arabia's financial decline, the consequence of a decade in which the country lived beyond its means, is fundamentally reshaping the relationship between Riyadh and Washington. When the Saudis were flush with so-called petrodollars, they bought whatever they could from the United States: military aircraft, missiles and airplanes. This generated tens of thousands of jobs for military and aerospace workers. Today, the United States is making every effort to ensure that the Saudis can buy on credit what they once bought with cash. Many American government officials say they see the sales as crucial to keeping U.S. arms makers afloat as the U.S. military shrinks. They are confident that the Saudis can afford pending purchases, including \$30 billion in weapons and \$6 billion in armaments. But others, including some government experts, Western advisers to Saudi Arabia and independent analysts, say they are worried. They contend that the heavy spending on weapons has forced the Saudis to cut the subsidies and patronage that have bought domestic tranquility for the monarchy. Saudi officials have told their U.S. counterparts that they intend, in effect, to choose guns over butter. "They've tilted the wrong way," said William Quandt, a White House official in the Nixon and Carter administrations responsible for the Middle East. "All the billions they've spent on arms haven't been very useful to them. This is not a popular regime. It's a huge patronage system that has spread the wealth around. If you take that away, you could contribute to a political crisis." Saudi officials declined to respond to repeated requests for interviews or to written questions on this subject. But officials from the United States and Saudi Arabia acknowledged that the nature of the relationship had changed. The Saudis, accustomed to dealing with Washington in secret and on the basis of handshakes, now find themselves living by the rules facing developing nations about supplying financial data to obtain credit and paying debts. These are some of the signs of the changing relationship. A Pentagon decision to ease the terms of payment when a Saudi cash-flow crisis threatened. See SAUDI, Page 13

ANC Aides Linked to Rights Abuses

Several leading figures in the African National Congress have been linked to the detention, torture and execution of the group's members during its years of exile in the 1970s and '80s. An independent panel found that ANC security officers watching over prison camps for suspected spies and infiltrators in Angola and Zambia killed at least 16 detainees. Ten others were known to have died in custody in unexplained circumstances. The report cited the case of one prisoner who had been locked in a metal container where he suffocated to death. (Page 2)

Market data table showing Dow Jones, Trib Index, The Dollar, and other financial indicators.

Olé! In France, Supporters and Opponents Lock Horns

By Marjorie Simons New York Times Service ARLES, France — Hubert Yonnet breeds bulls and horses on the Camargue's wild marshlands, where the Rhône meets the Mediterranean. Cowboys ride his ranch, birds squawk overhead, and change comes with the cadence of the seasons. But the steady life on the Yonnet ranch is now affected by a tumult of tastes in this early part of southern France. The tradition of bullfighting, which had diminished to a trickle, is coming back with vigor. It has already increased the demand for Yonnet bulls, and for several seasons has filled this region's arenas with spectators. People here agree that the revival is significant, but no one can quite explain it. Just when France is professing a greater love for nature and animals, and supporting environmentalists, a growing number of people are paying substantial amounts — \$40 on average — to watch the slow killing of powerful beasts. "A man wanting to test himself before a bull is perhaps unusual, even remarkable, in our time," Mr. Yonnet said, searching for an answer in the office where he organizes events in the Arles arena. Philippe Gromelle, a fan who does not like to miss any fights, said: "Bullfights are real and passionate, not cold and distant like television." Marie-Josée Justamond, an agent for musical groups such as the Gypsy Kings, described the revival of bullfighting as part of a broader cultural rebellion. "American images and music and movies have dominated for so long," she said. "People here are going back to their local, their Latin roots. We also see this in music." Opinions on the phenomenon may vary, but the figures are indisputable: The bullfighting season in Arles attracted 120,000 spectators this year, compared with 30,000 about five years ago. Fights now fill up the town's majestic Roman amphitheater, a legacy from the time when Arles was the capital of Gaul. In nearby Nîmes, the traditional rival of Arles, the bullfighting season has likewise blossomed and filled its own Roman arena. Nîmes boasts of drawing people from as far away as Marseille and Lyon. The running of the bulls and fights are also more widely attended in Béziers, Fréjus, Dax, and other small towns in Provence and Languedoc. France's bullfighting regions. Of course, not everyone in France applauds this age-old custom, in which a session usually ends, Spanish style, with the killing of six bulls and, on occasion, with the wounding or death of one of the fighters. An opinion poll last year indicated that three out of four French men and women opposed the practice, with about half calling it cruel and barbaric. With the revival, the Society for the Protection of Animals has stepped up its campaign against the fighting. "If we cannot stop it, we want to make sure that it does not spread," Jacqueline Faucher, the society's president, said. French law forbids bullfighting and cockfighting, except in towns with a long-standing tradition. In March, the society tried to block bullfighting in Tarascon, saying that the town had lost its rights when it interrupted its tradition for several years. The court ruled in favor of the fights. Mrs. Faucher and others assert that tradition is no justification for continuing a spectacle that often involves more than 20 minutes of torture and suffering and the slow death of an animal. "Part of civilization is to break bad habits," Mrs. Faucher said, noting that in the name of civilization France has abolished both the death sentence and pigeon shooting. "To honor See FIGHTS, Page 6

Top ANC Officials Linked to Abuses During Exile Years

By Keith Richburg
Washington Post Service
JOHANNESBURG — An independent panel investigating past human rights abuses by the African National Congress has implicated several current and high-ranking officials of the organization for detaining, torturing and executing some of its members during the ANC's years in exile in the 1970s and 1980s.

After interviewing 28 witnesses over 2 months, and taking sworn statements from 20 more, the commission concluded that ANC security officers guarding prison camps for suspected spies and infiltrators in Angola and Zambia killed at least 16 detainees, many by beatings and four by summary execution.

Some of the prisoners were killed for relatively minor offenses, such as drinking too much or smoking marijuana.

The report quotes witnesses describing how one ANC prisoner suffocated after being locked in a metal container, how another was thrown from a bus and run over, and how another onetime guerrilla fighter known only as "Reggie" was beaten to death by guards for "excessive drinking of gin and beer."

The report also lists the cases of 10 other ANC detainees who died in custody, often under mysterious circumstances, but who could not be confirmed to have been killed.

Two of them were said to have starved to death in Angolan jails, and another was said to have died of malaria just two days after he was admitted to the ANC's notorious Quatro prison in Angola. The report said the facility had "developed a widespread reputation as a hellhole where persons were sent to rot."

The report also suggests that the killings in the ANC camps continued through 1989, one year before the Pretoria government lifted the ban on the group and allowed the exiles to return home and enter into negotiations for a transition to democratic rule in South Africa.

The report details the case of Thabo Tlwala, an ANC detainee held at a prison called Sun City in Zambia. Mr. Tlwala was suspected of being the ringleader of a group of detainees who broke out of their cells and demanded to see the ANC leader, Nelson Mandela. Other ANC officials identified as involved in mistreating prisoners now serve in the organization's offices in Uganda and Zambia.

The highest-ranking officials named in the report are the ANC's deputy secretary-general, Jacob Zuma, and Joe Modise, who heads its armed wing. They were not named as specific "defendants" in cases of abuse.

Mr. Zuma is accused of having "failed adequately to supervise" the case of a prisoner who was later beaten, and Mr. Modise is named for ordering the arrest of an ANC worker who was later beaten for five hours with a wire, a plank and a stick. Mr. Modise was not present during the beating, but later served on a tribunal that heard allegations that the prisoner had been involved with enemy agents.

In going public with the report and promising disciplinary action against those named as human rights offenders, the ANC clearly appears to be trying to regain the moral high ground, and to contrast its openness with the behavior of the government, which stands accused of far wider abuses during the repressive apartheid years.

"Once again, the ANC has been able to demonstrate its bona fides as far as this matter is concerned," Mr. Ramaphosa said. "We are an organization that is deeply committed to democracy and defense of human rights."

Mr. Mandela set up the independent commission after an ANC panel had been able to substantiate allegations of abuse, which first surfaced in late 1991 when a group of returned exiles alleged widespread mistreatment at the hands of ANC guards.



Donalddo Mendoza Garcia, the head of a group of leftist hostage-takers in Managua, removing his hood.

JAPAN: Tokyo Vows New Course

Conservative members of the coalition oppose tax reductions because they fear such measures will not result in much new spending and will only inflate the budget deficit.

ASIA: Easing of Tension Expected

War II and could not be taken at its word. Mr. Noordin said that Mr. Hosokawa's statement to the parliament would open the way for "a new political, social and cultural relationship" between Japan and other East Asian countries.

Nicaraguan Gangs Free Some Hostages

MANAGUA — Leftist gunmen holding Nicaragua's vice president and other conservative politicians freed two of their hostages Monday, witnesses said.

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Table listing countries and phone numbers for MCI services. Columns include Country, Area Code, and Number. Countries listed include Australia, Belgium, Britain, Brazil, Canada, Chile, Denmark, Germany, France, Greece, Hungary, India, Indonesia, Iran, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, Norway, Pakistan, Poland, Portugal, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, USA, United Kingdom, Uruguay, and Venezuela.

WORLD BRIEFS

North Korea Denies Food Shortages
SEOUL (AP) — North Korea denied Monday that it had food shortages and called Western reports of the army suppressing food riots a fabrication of South Korean intelligence.

Taiwan Party Elects Liberal Leaders
TAIPEI (Reuters) — Taiwan's governing Kuomintang handed more power to a new generation of younger, liberal-minded leaders on Monday, replacing many of the party's conservative veterans.

Car Bomb Blast Wounds 4 in Tehran
NICOSIA (AP) — A bomb exploded before dawn Monday in Tehran, wounding four people, damaging cars and shattering windows, the official national news agency, IRNA, said.

Mandela Assails Police Inaction
Mr. Mandela said Monday that South Africa's white minority government did not have the will or desire to end the violence sweeping the country, Reuters reported from Johannesburg.

Detroit Officers Convicted of Murder
DETROIT (AP) — Two former police officers were found guilty Monday of murder in the fatal beating of a black motorist during a struggle outside a crack house. A third former officer was found not guilty of a lesser charge.

Kohl Meets With Opposition Leader
BONN (AP) — Chancellor Helmut Kohl met Monday with his chief opponent amid talk that a new coalition might be needed to lift Germany out of the economic doldrums and set its course as a world power.

U.S. May Cut Aid if Nigerian Stays
WASHINGTON (AP) — The United States signaled Monday that it might cut off aid to Nigeria unless the country's military leader kept his promise to turn over power to civilians by Friday.

Beirut Police Defused a Bomb
Beirut police defused a bomb planted in front of the office of Kuwaiti Airlines on Monday, the eve of a visit from the emir of Kuwait. (Reuters)

Algerian Security Forces Arrested Five
Algerian security forces have arrested one of five assassins of former Prime Minister Kasbi Merbah, who was killed in a highway ambush over the weekend that left four other people dead, a local paper reported. (AP)

Hotel Occupancy Dropped in Paris
Hotel occupancy dropped in Paris and on the French Riviera this summer as foreign tourists shunned expense and headed for cheaper backwaters, the Hotel Industry Federation said Monday.

Paris's Eiffel Tower is Preparing to Welcome its 150 millionth visitor with a batch of presents, including a car, the tower operator said Monday.

Two vacationing German couples were robbed at highway service stations near Lyon and Nancy in eastern France over the weekend despite stepped up police patrols because of a spate of such attacks this summer, the authorities reported Monday.

Venezuelan goldminers banded together to repay a French couple charged an extortion of \$500,000 for an hour's ride along the city's canals, Italian newspapers reported Monday.

A group of French farmers said they planned to blockade Paris on Sept. 15 to protest the government's agricultural policies.

The U.S. Amtrak railroad system will ask courts to block a threatened strike, Amtrak officials said Monday.

Tokyo Deplores Student's Death in United States

AGENCE FRANCE PRESSE
TOKYO — Prime Minister Morihiro Hosokawa said Monday that he regretted the killing of a Japanese student in the United States and called for tighter gun control in America.

Brazil Pledges to Track Indians' Killers

By James Brooke
RIO DE JANEIRO — An outrage mounted over the massacre of 73 Indians by gold miners, President Collor moved to get the military involved in hunting down the killers.

Travel Update

Hotel occupancy dropped in Paris and on the French Riviera this summer as foreign tourists shunned expense and headed for cheaper backwaters, the Hotel Industry Federation said Monday.

OVERHEARD
Martha rushed in to break Herbert of his old ways.
Illustration of a man and a woman sitting at a table in a cafe setting.

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Table of international phone numbers.
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OPINION

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INTERNATIONAL Herald Tribune Awaiting Japan and Europe

Interest rates in America have been falling steadily... In an even more dramatic demonstration of the return to stability...

U.S. Cavalry for Russia?

A lively controversy rages inside and outside the Clinton administration over what role the United States should play in the messy military conflicts now igniting the periphery of the former Soviet Union...

Nativist Violence in Europe

The last major outbreak of violence against foreigners in Germany, the May 29 arson death of five Turkish residents, was followed by declarations of a government crackdown...

Other Comment

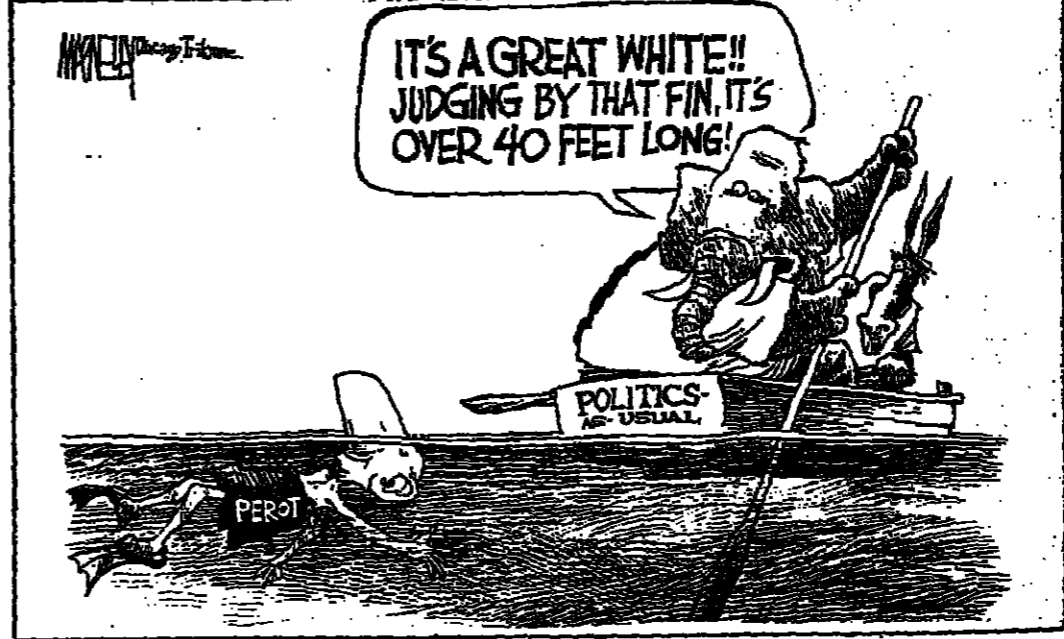
Scaling Mount Government

It is the equivalent of scaling Mount Everest: Vice President Al Gore early next month will unveil his plan for "renewing government."

America Is Turning Inward

By Adrian Karatnycky

NEW YORK — Two years after the collapse of the Soviet Union and the unraveling of the American dream...



A Fourth As Antidote To Perot

By William Safire

LONDON — The political polls on both sides of the Atlantic may be accurate, but the judgment we draw from them is all wrong...

Communism's Fall Took Too Long, Cost Too Much

By Richard Reeves

BERLIN — On Friday night, Kurfürstendamm has the shabby and menacing look of New York's Times Square...

States had to do to win the Cold War was stand firm. His father, the dread Joseph P. Kennedy, and Charles de Gaulle told him the same thing...

Little Estonia Isn't Stepping on the Russians' Toes

By Juri Luik

The writer is the Estonian minister without portfolio responsible for negotiations with Russia.

TALLINN, Estonia — As Russia faces growing nationalism and separatism at home, an economy that continues to free-fall...

Russia still refuses to recognize the terrible injustice and pain the Soviet regime inflicted on Estonia, from the devastating ecological damage to the demographic results of the centrally organized Soviet policy of colonization...

on its periphery. In developing a new concept for border states known as the "Near Abroad," in treating adjacent countries differently from those more distant...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Duke's Ascension REINHARDSBRUNNEN — The Duke of Edinburgh has ascended the right bank of the Seine... 1918: Sport on the Seine PARIS — The "Traverse de Paris à la Nage," or cross-Paris swimming race, takes place to-day...

International Herald Tribune advertisement listing staff members like Katharine Graham, Arthur Ochs Sulzberger, and Richard M. C. Clean.

OPINION

Blunt Message From GATT's New Man: Protection Is Poison

By Hobart Rowen

WASHINGTON — Peter Sutherland is the chunky, 47-year-old cigar-smoking Irishman who on July 1 inherited the job of running the General Agreement on Tariffs and Trade from Arthur Dunkel of Switzerland.

GATT is not only the name of the international trade agreement that more than 100 countries have been trying to modernize and extend for the past seven years, but also the name of the sizable bureaucracy in Geneva that tries to manage the system.

Mr. Sutherland, who earlier chaired the European Community Competition Commission — the post now occupied by Sir Leon Brittan — is a confirmed internationalist who believes strongly

that GATT must remain the centerpiece of the global trading system.

"He is as free-trade oriented as anyone in Europe can be," said one American expert. In fact, Mr. Sutherland's latest ploy to prod foot-dragging politicians in America and in Europe to move ahead on the Uruguay Round of GATT trade negotiations was a crisp report this month on the huge cost to consumers of protectionism.

In a release blissfully free of the bureaucratic language that once typified GATT communications, Mr. Sutherland said that "consumers should demand an

end to high prices for no purpose."

He deliberately stepped on European toes by illustrating the argument with a chart, developed by the Paris-based Organization for Economic Cooperation and Development, showing the costs, in higher prices and taxes, that consumers had to pay in 1992 for government support for agriculture.

Europe headed the list, with consumer costs of \$155.9 billion, or \$450 per capita. The United States was the second largest offender, with \$91.1 billion, or \$360 per capita. And Japan — which heavily protects rice and other farm

products — showed up as third, with \$74 billion, and \$600 per capita.

"Peter brings a refreshing change to GATT, and seems determined to bring about a result — and that is exactly what's needed," said Julius Katz, deputy to the former U.S. trade ambassador, Carla Hills.

In a get-acquainted session with Clinton administration officials in July, Mr. Sutherland left no doubt that he believes that global economic growth depends more on the successful conclusion of the GATT talks than on regional agreements like NAFTA, with which he found administration officials preoccupied.

He also believes that the United States — which correctly blames Europe, notably France, for holding up GATT by trying to protect its farmers — must take a share of the blame because it is trying to protect textiles and a few other commodities.

Some of Mr. Clinton's trade aides, lobbied by textile state senators and congressmen, toy with the idea of abandoning one of the key, original ideas of the Uruguay Round, elimination of the richer countries' barriers to textile imports from the Third World.

That would let the Europeans off the hook on tariff reductions that the United States wants on manufactured goods such as electronics, paper and wood products, all big money items.

In the struggle to get his budget passed, Mr. Clinton may also have eroded the American position taken under Carla Hills on agriculture. Language in the budget apparently works to prop up the price of sugar and peanuts.

Mr. Sutherland is well aware of the diverse pressures that weaken the resolve of the Clinton administration to get the GATT finished in the precise terms of the deal that appeared to be going through under President George Bush.

At a mid-July lunch with reporters, Mr. Sutherland said that any talk of a trimmed-down package, just to get the GATT done and finished, is nonsense: "You can't take aspects of this agreement out of it without losing the balance which is fundamental to the whole agreement. You can, of course, argue about certain aspects of the agreement, but you cannot simply take out an area, and say, 'Well, we can have an agreement without that.'"

In a recent interview with the Journal of Commerce, Mr. Sutherland divided the blame for the Uruguay Round impasse between the Brussels headquarters of the European Community and Washington: "If the Europeans and the Americans had gotten their act together, this agreement would have been sewn up a long time ago. It's time that was said bluntly, so I'm saying it."

At the Tokyo economic summit meeting in July, there appeared to be a real breakthrough on GATT on certain key commodities, removing one obstacle to the Uruguay Round. Mr. Clinton and the Europeans bragged about it. But as has been the case before, nothing has happened since the summit: The Europeans treat the summer as vacation time, and Mr. Clinton was preoccupied with domestic issues. That puts additional strain on the time available to wind up the GATT talks by the Dec. 15 deadline.

Mr. Sutherland's release on the cost of protectionism did not stop with agriculture. For example, he detailed the costs to car-buyers in America and Europe of quota limits on imports of Japanese cars — in France, about one-third of the final cost of the car. Worst, the "protection," in the end, does not save local jobs.

It is an old story, but an effective one. Kudos to Peter Sutherland for putting it out.

The Washington Post

Celebrating Sane Genius And Some Thrilling Chess

By Charles Krauthammer

WASHINGTON — "We of the craft are all crazy," Lord Byron said of poets. Everyone knows that madness and genius go together. The mad scientist (Dr. Frankenstein), the mad artist (Van Gogh) have long been staples of the popular imagination.

But the idea that the great are "touched" is more than popular prejudice. It has been the subject of serious scientific study.

The latest example is Kay Redfield Jamison's "Touched with Fire," a superb study of the connection be-

turned from his 1858-59 tour of Europe where he beat the best in the world and abruptly quit the game. He later went quite mad. Bobby Fischer, the only other American world champion, disappeared after winning the prize in 1972. Twenty years later he reappeared, raving in Yugoslavia.

Mr. Fischer is the looming presence behind this movie. He appears only in black-and-white newsreel footage, but he is the hinge of the story. The film's tension is between Josh Waitzkin, who is young, gifted and normal, and Mr. Fischer, who was once young and gifted, too, but, as his gift flourished, became increasingly unbalanced.

Bobby Fischer is the living embodiment of what can happen to a man for whom, as he once famously declared, "Chess is life." Josh is the opposite. He has a life. He has friends and school and sports. He is sweet and kind. He is well-adjusted, a normal child in every respect except one: He is the best, the very best, at something extremely difficult and demanding.

The film is effective because the matching of the chess monster and the chess angel is no fictional contrivance. Both stories are true. Bobby Fischer's is well known. Until this movie, Josh Waitzkin's story — he is today 16 and the highest rated American chess player of his age — was not.

At a time when it is hard enough to find intelligence in any film, it is a treat to find one that deals intelligently and movingly with the problem of genius. To find one that at the same time is filled with subtle visual humor and beautifully drawn characters is even more surprising.

Most surprising, the film's director, Steven Zaillian, has managed the ultimate cinematic feat: thrilling chess. The games — played at lightning speed, the moves punctuated by the slamming of pieces and the punching of clocks — have the tempo and furious excitement of a middle-weight boxing match.

I admit that I come to this movie somewhat prejudiced. The subject is chess, with which I have had a patzer's romance for 20 years. My favorite magazine, I confess, is "Chess Life" (an oxymoron, a friend once observed). And the film's hero is played by an anguished 16-year-old boy. I admit to having one of my own.

Having fully disclosed my bias, I freely dispense my judgment. "Searching for Bobby Fischer" is a wonder: both a delicate exploration of genius and the most thrilling evocation of the glories of competition since "Chariots of Fire." See it twice.

Washington Post Writers Group

MEANWHILE

between artistic temperament and manic depressive disease. It concludes with a terrifying appendix listing a pantheon of writers, composers and artists from Antonin Artaud to Virginia Woolf who suffered serious psychiatric illness, often to the point of suicide.

Which is why any celebration of sane, untortured genius is such unexpected and welcome pleasure. Last year we had James Gleick's biography of the prodigiously gifted physicist Richard Feynman. Mr. Feynman had his eccentricities — one of his principal recreations while working on the atomic bomb at Los Alamos was safe-cracking — but at the same time was gloriously, uproariously sane.

This year we have "Searching for Bobby Fischer," a splendid movie about a gifted chess prodigy, Josh Waitzkin. It is the true story of a 7-year-old who learns the game by watching the chess hustlers in New York's Washington Square Park and begins playing with such extraordinary depth and brilliance that he comes to be seen as the possible successor to the greatest chess genius of all, Bobby Fischer.

The movie is a brilliantly acted, beautifully modulated story of a young boy with a gift and of four adults — two parents, two teachers — struggling with the paradoxes and dangers of balancing a normal happy life against a gift so terrible.

The gift is especially terrible because it is chess, and chess enjoys a not wholly undeserved reputation for psychic derangement. It is an endeavor associated, when not with frank madness, with oddities and isolation. I remember a psychiatrist friend visiting me at a chess club in downtown Boston once. He walked in, sat down, looked around and said, "Jeez, I could run a group here."

Derangement is a well-known chess hazard. The greatest American player of the 19th century, Paul Morphy, re-



LETTERS TO THE EDITOR

SDI: A Worthy Deception?

Regarding the editorial "SDI, a Hoax-Based Defense" (Aug. 20):

The probability that the United States would successfully develop the Strategic Defense Initiative was, in my opinion, one of the arguments — and not the least important one — that helped Mikhail Gorbachev persuade the Soviet leadership to change course: to abandon confrontation and seek, instead, to reform its economic system.

Once the decision was made, Mr. Gorbachev was ready to accept — through negotiation, of course — virtually all the U.S. arms reduction schemes. But he always demanded that SDI be abandoned. He insisted on this even when President Ronald Reagan offered to share the technology, once perfected. This is understandable. Operative and in place, SDI would have rendered the Soviet Union powerless vis-a-vis the United States.

I said as much at a White House press briefing in the late 1980s. Andrei Sakharov and many others on both sides of the Iron Curtain pointed out the well-nigh impossibility of achieving a total, fool-proof shield against nuclear attack. But the deception — the hoax, if you will — left a big question mark in Soviet minds. Billions well spent, I would say.

ION RATTU, Deputy Speaker, Chamber of Deputies, Bucharest.

The missile tests in question were not rigged; radio beacons were on all four tests, not just on the last one. They were installed on the target missiles for safety reasons. The intercepting missile had an optical guidance system that was not compatible with the C-band radio beacon on the other vehicle.

I fear that deceptive information in recent news reports on SDI originated from Moscow, not from the Pentagon. The very fact that these tests were not

rigged could explain why Moscow would now be targeting the United States with such determination.

PETER B. MARTIN, Valprieux, France.

Room for Argument

Regarding "Now, Fear of Breathing" (Editorial, June 25):

The population density in an airplane is considerably higher than in a hospital tuberculosis ward or in an office building. The standards for the number of air changes per hour in a plane ought to be more rigorous.

LINDA LILLY, Brussels.

A Question of Impartiality

I could not resist the temptation to look into the "impartiality" of Alfred Sherman, who complained in an Aug. 13 letter about the views expressed by Mi-

sha Glenn in the article "Demilitarize Bosnia or the Storm Will Spread South" (Opinion, July 31).

In the Aug. 7 issue of The Spectator of London, the same Mr. Sherman wrote this about himself: "I am indeed advising Dr. Karadzic in public relations." No wonder he entertains the same ideas as his employer — the leader of the Bosnian Serbs — about the war for new frontiers in the Balkans.

N. B. DIMITRIJEVIC, Geneva.

Democracy in Singapore

Regarding "A Modern Tale of Two Cities, Both of Them Named Singapore" (Opinion, Aug. 7) by Anthony Lewis:

Comments in the article, such as "the intellectual atmosphere here is stifling" and "some of the best educated young people are trying to leave," are presented with no support. Other sweeping statements about

drug testing, suspects held without trial, and the performance of the Singapore courts would give the uninformed reader the impression that we are living under a dictatorship. Not once was it simply mentioned that Singapore is a democracy, with compulsory voting.

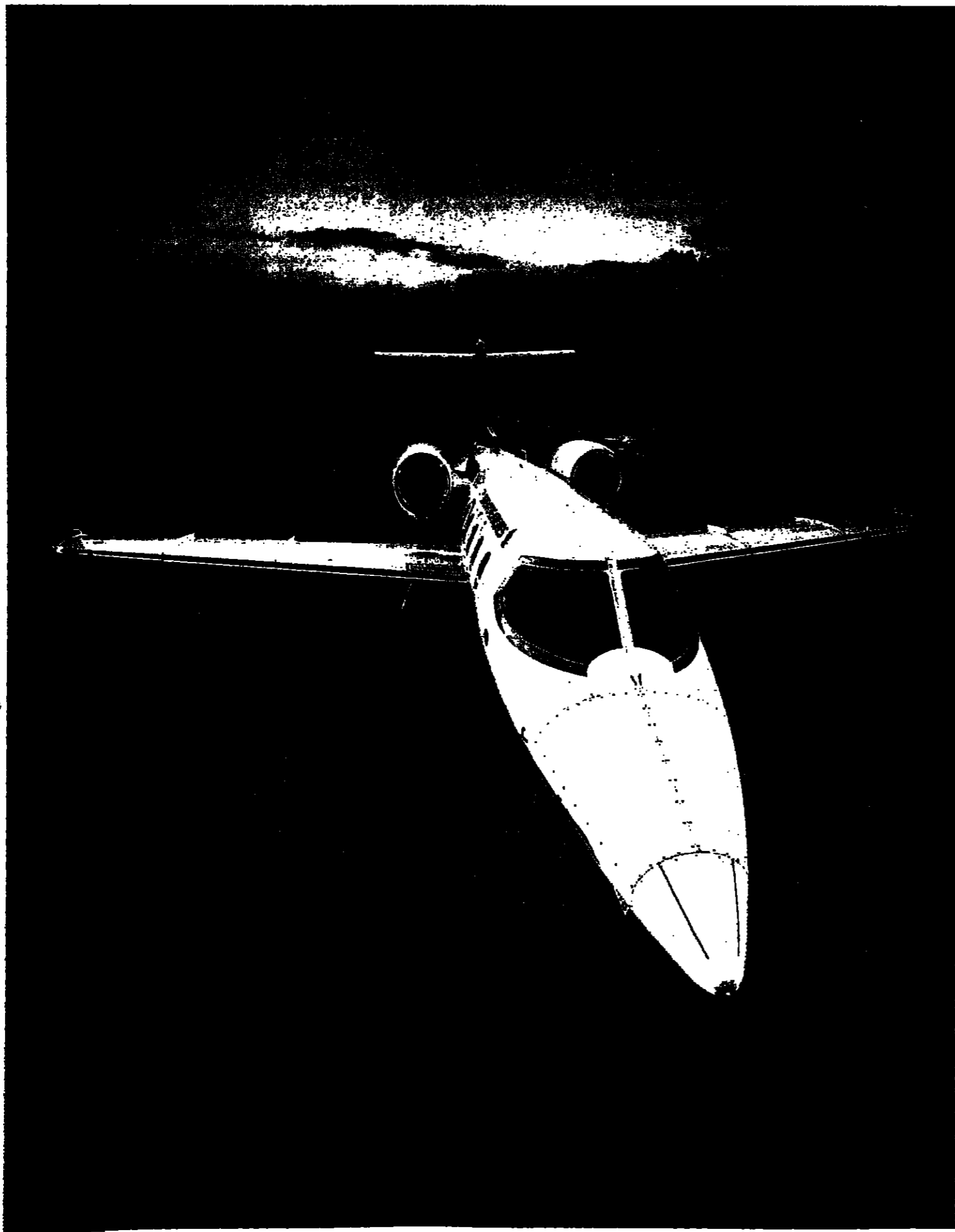
JAMES J. GELPI, Singapore.

The Bomb From Both Sides

The anniversaries of the bombings of Hiroshima and Nagasaki have been observed yet again with emphasis on the horrors of atomic war.

But it should also be remembered that the decision by President Harry Truman to use the atomic bomb rather than drag out the war with a maritime blockade or an amphibious invasion saved millions of Japanese lives.

ROBERT MCGEEHAN, Oxford, England.



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they have to face emergencies prepared in advance by our somewhat exacting instructors. This is no quick refresher course. It lasts

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around two months, during which those who succeed will have taken the controls and the decisions on at least 50 separate flights. To some, this might appear to be excess caution.

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Croats Said to Approve Mostar Convoy

By Chuck Sudetic
New York Times Service
SARAJEVO, Bosnia-Herzegovina — Military leaders of the Bosnian Croats have given the United Nations refugee-relief agency permission to send a truck convoy of food and medicine to 55,000 Muslims, including 30,000 refugees, crowded into besieged eastern Mostar, a spokesman said Monday.

But clashes were reported Monday between Croatian and Muslim forces in central Bosnia and between Muslims and Serbs in eastern regions of the country. Skirmishes were reported in Maglaj, Tesanj, Brcko and Gradocac. The decline in fighting has come as Muslim, Serbian and Croatian leaders attended United Nations-sponsored negotiations on a peace plan that would divide this country into three republics.

On Sunday, President Alija Izetbegovic, a Muslim, said he could not recommend that the country's rump parliament, which still includes a few Serbs and Croats, adopt the plan. The peace proposal would leave roughly half of the nation's population, including the vast majority of its Muslims, with only about 20 percent of its land.

Each comprised 42 percent of the 130,000 prewar population, based on a defunct peace plan for Bosnia-Herzegovina drawn up by United Nations negotiators. The United Nations refugee relief agency has accused the Bosnian Croats of brutality in Mostar. In a statement, the UN High Commissioner for Refugees said it suspected the Croats of holding up to 15,000 Muslim men of fighting age in centers near the villages of Rodoc, Gabela and Dretelj.

Aide Fired Over Nazi Rally

WIESBADEN, Germany — A senior official in the state of Hesse was dismissed Monday for having failed to stop a neo-Nazi march in honor of Rudolf Hess, Hitler's deputy. Christoph Kulenkampff, state secretary in the Hesse Interior Ministry, was dismissed by the state premier, Hans Eichel, after a storm of protests against the neo-Nazi march on Aug. 14 through the Hesse city of Fulda.

Chancellor Helmut Kohl's Christian Democrats have used the rally to attack the opposition Social Democrats, who govern in Hesse. Mr. Kulenkampff had been criticized for defending the cautious police approach to the march by 500 uniformed neo-Nazis who waved banners with symbols akin to ones used by the Nazis.

The group defied a national ban on rallies in memory of Hess's death in Berlin's Spandau prison on Aug. 17, 1987. They marched virtually undisturbed as the police concentrated on preventing a clash with rival leftist groups.



Residents of central Sarajevo waiting to receive drinking water from a French truck in the United Nations peacekeeping force.

GULAG: In Deteriorating Camps, Growing Dread of Explosive Uprisings

Continued from Page 1
many regulations governing mail and packages, time in solitary confinement and prison attire have been liberalized. Yet, even those reforms have led to more beatings and physical abuse, according to Valeri Abramkin, a prison-reform advocate in Moscow, because officials do not have enough staff to run the prisons more humanely.

Seeing visitors, they rushed to the bars to catch cigarettes and pens or — seemingly unafraid of Colonel Kalinin and his deputy — to complain. "You see how we live," Vladimir Klovov said with disgust, taking the visitors upstairs to a small hall crammed with 120 two-tier beds.

Colonel Kalinin, 44, tall and broad with a gray-blond Chaplinesque mustache, had some complaints of his own. The warden, who had risen through the ranks since beginning at this camp as a junior officer in 1976, seemed to know all the inmates and greeted many of them familiarly as he wandered through the camp. But the lieutenant colonel, soon to be promoted by the Interior Ministry, said Russian criminals are not what they used to be.

Now, to allow them to escape their poverty, parliament has given prisoners the right to open farms on a "commercial basis" — like much of Russia's formerly state-run economy. Mr. Abramkin and others fear the new law will provide a pretext for officials to enrich themselves while exploiting prisoners. A spokesman for the Interior Ministry in Moscow said his agency was trying to bring Russian prisons "closer to the world standards established by the UN." But the spokesman, who asked not to be named, added, "Of course, living conditions in prison cannot be better than in the outside world."

Nearly 200 of the inmates are suffering from tuberculosis and live in quarantine and the camp cannot afford medicines. "They should have a separate colony, but so far the local authorities won't allow it," Colonel Kalinin said. Some prisoners, veterans of the labor camps, said conditions had improved since their last visit. They can wear crosses and grow beards, they said. They are entitled to conjugal visits twice a year. Even the food is better than it was, said Nikolai Zubakov, 47.

"Oh, life is wonderful here," he joked. "Just like at the dacha." Mr. Zubakov said he was in prison "for the eighth or ninth time." This time, he was in the first year of a seven-year sentence for robbing a store.

INTERNATIONAL CLASSIFIED

Advertisement for International Classified, featuring sections for PERSONALS, DUTY FREE SHOPS, REAL ESTATE FOR SALE, EMPLOYMENT, and BUSINESS SERVICES.

Continued from Page 1
clubhouse or workshop — faces a caged and paved yard and prisoners can step outside. On a recent warm afternoon, sallow, skinny inmates in gray fatigues, most with shaved heads, hung about the yards, pacing, smoking and chatting idly. A few played dominoes, having stripped off their shirts to reveal the tattoos that are the emblem of Russia's prison culture.

Azerbaijanis Said to Flee City Near Iran

Compiled by Our Staff From Dispatches
MOSCOW — Azerbaijanis abandoned a key town near Iran on Monday in another victory for Armenian troops from the disputed enclave of Nagorno-Karabakh. The Azerbaijanis say they recaptured Ceyranli at the weekend.

The Armenian, whose advances have fueled political unrest in Azerbaijan, say they have to drive back the Azerbaijanis to protect Nagorno-Karabakh from shelling. The mountainous enclave was put under Azerbaijani jurisdiction by Moscow in 1923 although it is populated mainly by Armenians.

The two also discussed ways of helping about 140,000 refugees from Abkhazia to return home, it said. Mr. Shevardnadze said repatriation of refugees was "perhaps the most acute problem" after a cease-fire was reached last month. Russia, which has strategic interests in the Caucasus, helped arrange the peace between Georgia and Abkhazia. (Reuters, AFP)

FIGHTS: A Resurgence in Bullfighting in France Attracts Its Detractors

Continued from Page 1
tradition," she said, "we could also be throwing Christians to the lions." Passions run equally high at Le Tambourin, a cafe for fans, next to the Yellow House, where van Gogh lived. Supporters insist that bullfighting, a tradition roughly as old here as its counterpart in Spain, has a vital social and cultural function.

Livimans said: "We found it very difficult to find a place in this very male and very macho world. But we know as much about bullfighting as many male spectators." In her shop of local crafts and antiques there are paintings and objects related to bullfighting, just a sample of the paraphernalia related to bulls that permeate this pretty town, Mrs. Can said. The women's club differed from the men's because it stressed education.

Mr. Yonnet, who was born on his father's ranch, disagrees. "The pro-animal people must understand the character of the bull," he said. "He fights all the time; the animals even kill each other." Last year, he said, he had chosen 15 of his finest animals for the season in Madrid. By the time they had to be sent off, only six qualified. The others had broken horns, bad legs or other disabilities inflicted on one another.

JFK: 800,000 Pages of Documents Provide Grist for Historians and Buffs

Continued from Page 1
best of the CIA, the FBI or organized crime. One of the documents released Monday, an FBI agent reports on his interview, 15 years after the assassination, of a Russian émigré. The Russian recalled nearly verbatim a conversation with a friend, Pavel Golovachev, who had spoken with Mr. Oswald in 1962 in Russia.

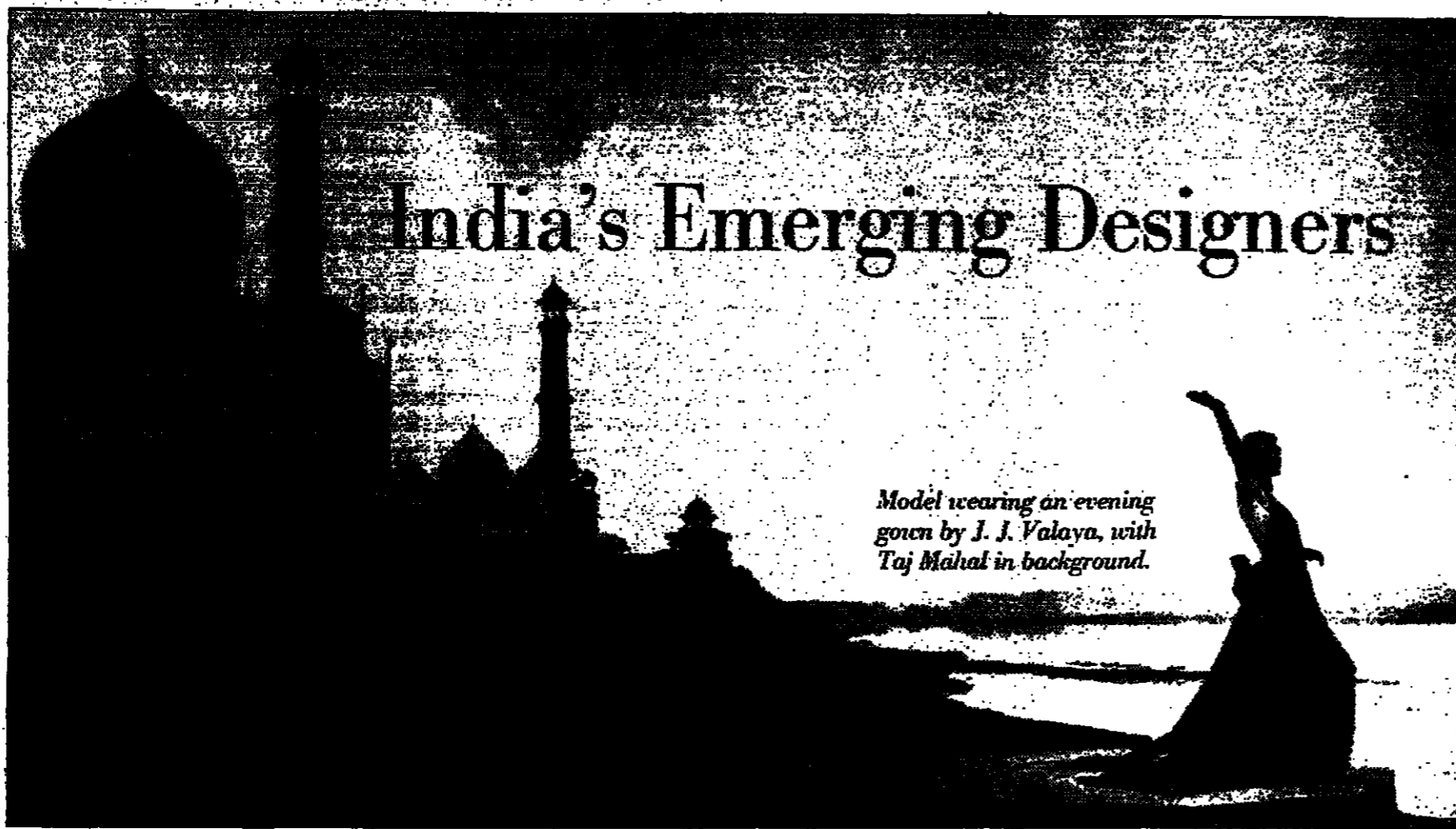
A former Marine, Mr. Oswald defected to the Soviet Union for a period and then returned to the United States. The Sept. 19, 1977, classified memo to the director of the FBI, Clarence Kelley, said the émigré's friend had worked with Mr. Oswald at a radio factory in Minsk and had heard him boast that "he would have lots of money in America."

Mr. Deryabin was a KGB agent who defected to the West in 1954. He served as a consultant to the U.S. government, including the CIA, and wrote several books. He died about a year ago. Mr. Deryabin's memo, stamped "secret," offers no factual basis for his speculation that the Soviets were behind Mr. Oswald's shooting of the president in Dallas. Other documents detail information the government kept on Mr. Oswald before the assassination. A CIA station officer in Mexico told investigators in one report that Mr. Oswald became a person of great interest to us in the fall of 1963 when he went to Mexico City seeking a visa to return to Russia.

Advertisement for Herald Tribune, including contact information and a section for Classified Advertisements.

India's Emerging Designers

Model wearing an evening gown by J. J. Valaya, with Taj Mahal in background.



By Molly Moore Washington Post Service

NEW DELHI — J. J. Valaya is among a cadre of young designers trying to change the way the country dresses, as well as the way the West views Indian-made clothes...

Valaya, 25, is a pioneer in India's burgeoning fashion industry, an entrepreneur in a field that didn't exist here a decade ago. He is among a cadre of young designers trying to change the way the country dresses...

scarves are sold under his label for about \$400 each at upscale U.S. department stores. However, most Indian designer clothes — whether Western or native in cut — are still sold in India...

hates what he describes as the tawdry neon pinks and electric blues and flaming yellows that they favor. "The earth tones of the environment are so much better," he said with a sigh.

Not All Miami Beach Charmed by Versace

By Larry Rohter New York Times Service



Gianni Versace

M IAMI BEACH, Florida — There were bravos all around for Gianni Versace when the Italian fashion designer paid \$2.95 million for a historic but dilapidated apartment building in the Art Deco District here last year...

with a host of lesser-known models, actors and photographers. The singer Gloria Estefan and the actor Mickey Rourke are among the celebrities who now own restaurants, hotels or nightclubs here.

BOOKS

JUDY GARLAND: The Secret Life of an American Legend

By David Shipman. Illustrated. 540 pages. \$24.95. Hyperion.

Reviewed by Margo Jefferson

JUDY GARLAND said movie and television moguls wanted her to be "sort of the girl next door." But, she added, "they couldn't find the right house or the right door."

WHAT THEY'RE READING

Bernard Lissane, the French chef, is reading "L'Arche des Kerguelen" by Jean-Paul Kaufmann, the journalist who spent several years as a hostage in Lesonon.

does resist the breathless, insistent prose such titles usually inspire. He is a hard-working, unsentimental researcher whose books include "The Story of Cinema" and a three-volume work, "The Great Movie Stars."

stayed thin, thin, thin. From then on, her life became a series of comebacks, occasionally on film, more often on stage.

Garland's public saw through the press-release euphemisms. They knew and loved knowing that a report of influenza probably meant she had had her stomach pumped again, or that a much-needed rest was probably a much-needed stay in a sanatorium.

What are we to make of the performing selves of Judy Garland? In her girlish days, her sunny, virginal air gave way to a voice that both ravished and fulfilled.

CHESS

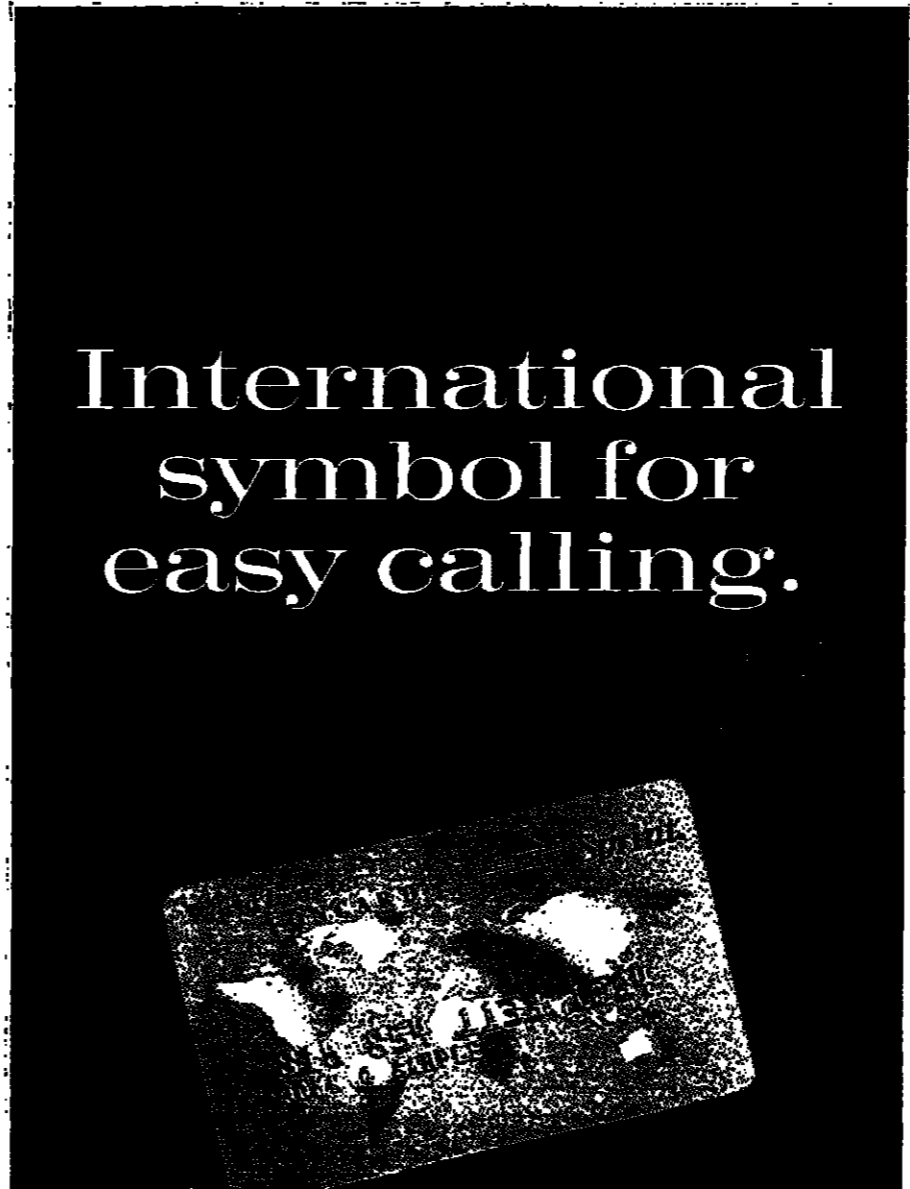
By Robert Byrne

S WEDISH chess champion Ulf Andersson has a serious rival, Ferdinand Hellers. Hellers won a six-game match from Andersson at the Ekgo Chess Club in June.

Chess board diagram showing a game position after 25 moves. Includes text: "with 24 g4 Rf6! 25 g5, Andersson set a trap with 25...Bc5, the point being that 26 g7! Qc3! 27 Re3 Re3 28 Qf1! Re1 29 Kg2 Rf1 30 Kf1 g! recovers the queen and yields Black drawing end-game chances."

NEW FALL WINTER COLLECTION ESCADA

Advertisement for Escada clothing collection. Text: "Paris left bank For orders FAX: (1) 42 84 24 15 Sale on Summer Collection Marie-Martine 8, rue de Sévres, Paris 6th"



Advertisement for Sprint WorldTraveler FÖNCARD. Text: "The WorldTraveler FÖNCARD™ is recognized at telephones worldwide. To reach an English-speaking operator, just dial the appropriate access number listed to the right. You'll benefit from Sprint's low rates on every international call you make."

Table listing international access numbers for various countries and regions. Includes: Argentina 001-800-777-1111, Australia 001-888-877, Austria 002-882-884, Bahamas 1-800-288-2311, Belgium 002-288-2311, Brazil 002-288-2311, Canada 001-800-829-3643, etc.

NYSE

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with 7 columns: High, Low, Open, High, Low, Open, High. Sub-headers include NYSE, NYSE, NYSE, NYSE, NYSE, NYSE, NYSE.

Main table of stock prices for NYSE. Columns include Stock Name, Price, Change, etc. Includes entries like IBM, AT&T, etc.

Table with financial data, possibly interest rates or commodity prices. Includes columns for rate, price, and change.

Table of interest rates and yields for various bonds and currencies.

Main table of bond prices and yields. Columns include Bond Name, Price, Yield, etc.

Table with market data, possibly currency exchange rates or commodity prices.

Table of market indices and volume data.

Main table of commodity prices including oil, gold, and various metals.

Table with market data and possibly news snippets.

Table of market data, possibly interest rates or commodity prices.

Main table of bond prices and yields.

Table with market data and possibly news snippets.

Table of market data, possibly interest rates or commodity prices.

Main table of bond prices and yields.

Table with market data and possibly news snippets.

Table of market data, possibly interest rates or commodity prices.

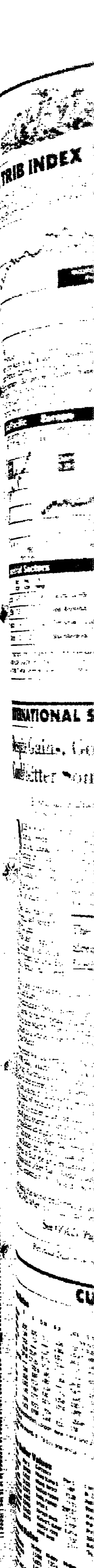
Main table of bond prices and yields.

Table with market data and possibly news snippets.



LOUIS MALLE, Film Director

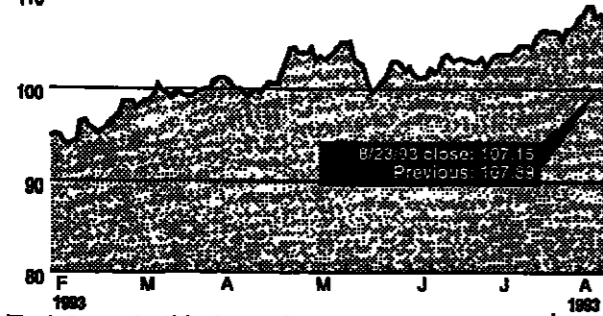
People at the top read the Trib.
Herald Tribune.





THE TRIB INDEX: 107.15

International Herald Tribune World Stock Index, composed of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weights: 25%	Approx. weights: 40%	Approx. weights: 35%
Close: 127.28 Prev.: 127.89	Close: 103.51 Prev.: 104.85	Close: 93.04 Prev.: 93.44



Industrial Sectors

Sector	Max.	Min.	Prev.	% change
Energy	104.09	105.17	-0.46	-
Utilities	113.05	114.92	-1.10	-
Finance	118.18	118.93	-0.63	-
Services	114.85	115.52	-0.58	-
Capital Goods	102.57	103.27	-0.58	-
Rear Materials	105.91	107.01	-1.03	-
Consumer Goods	99.41	99.08	-0.72	-
Miscellaneous	106.20	108.76	-1.33	-

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Tib Index, 161 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

INTERNATIONAL STOCKS

Despite Gains, Gold Shares Could Glitter Some More

By Michael Richardson
International Herald Tribune

MELBOURNE — After a spectacular surge in recent months, prices of most Australian gold stocks have run well ahead of the increase in the price of gold, setting the stage for a retreat. But analysts say that many of the fundamentals that have underpinned the gold fever on the Australian Stock Exchange remain in place.

Provided the bullion price resumes its rise this year or in 1994, they predict that shares of listed gold-mining companies that are well-managed and have good growth potential will score further substantial gains.

The market has already discounted a further rise in gold.

Brokers say that foreign buying of Australian gold stocks, especially by American and European gold funds, has been strong. Australia is the third-largest gold producer after South Africa and the United States.

The stock exchange's Gold Index rose 1.2 points Monday to close at 2,209.4, below its recent peak of 2,472.8 on Aug. 3 but 78 percent higher than in late March. The All Ordinaries Index, a benchmark for the market as a whole, rose 5.7 points to 1,932.8, up nearly 32 percent since March.

The gold price was quoted at \$374.20 an ounce at the close in Tokyo on Monday, against New York's \$373.60 on Friday. Analysts say Australia's Gold Index is about 15 percent overvalued, based on the current bullion price.

"The index is already discounting a higher gold price," said Peter Wetherall, head of research at McIntosh & Co. If the anticipated price rise fails to materialize, he said, "there is some potential for the prices of gold shares to drop back."

Bullion reached an eight-year low of just under \$327 an ounce on March 10. Its rise since then has been driven by fears of inflation in the United States and Asia, volatile currency movements, falling interest rates and evidence of rising demand for gold — led by China and other East Asian countries — at a time of falling production, especially by South Africa and the former Soviet Union.

After being the worst-performing sector of the Australian stock market in 1992, when it lost 22.5 percent, the Gold Index has been

See GOLD, Page 13

Reginald Dale is on vacation.

Delta Gives 3,000 Staff Option for Retirement

Compiled by Our Staff From Dispatches
NEW YORK — Delta Air Lines Inc. said Monday it would give 3,000 employees in selected departments an option to retire early in a program that could cost the carrier \$2.10 billion.

"This program does two things," said Ronald Allen, Delta's chairman. "First, it will give eligible people who are ready to retire a chance to do so. And second, it will allow Delta to reduce its costs by cutting head-count levels to more closely match staffing and business needs."

"Over the past few months, we've taken several planned steps to produce a more streamlined and flexible organization as part of our commitment to return Delta to sustained profitability, and today's announcement is the next step."

In June, Mr. Allen told employees to expect job cuts, reportedly totaling 2,600. The early-retirement offer is part of a cost-cutting plan that already has trimmed Delta's ranks by 6,200 jobs, about 17 percent of its work force, since May 1992.

Delta stock was up 50 cents, at \$52.75 a share, in late New York Stock Exchange trading. Last week, Delta accelerated the pace of its pilot layoffs, announcing plans to dismiss 202 pilots in October and November. The new cuts would bring to 407 the number of pilots Delta has fired since June 1. Under its cost-cutting plan, Delta plans to increase that number to 600, or 6 percent of its pilots.

Delta has been struggling to end a two-and-a-half-year string of losses totaling \$1.6 billion. The carrier expects to save about \$265 million annually in salary and benefits from positions already eliminated. Separately, Aviation Week & Space Technology quoted officials of the airline trade organization as saying the industry's collective loss would narrow this year to \$2.5 billion from \$4.8 billion in 1992.

Officials of the International Air Transport Association said this would bring the cumulative loss since 1990 to \$13.5 billion. Airlines have been plagued by overcapacity, global recession, and an escalation in fees for the use of airports.

(Bloomberg Reuters)

Investors Scramble for Junk Bonds With High Yields Hard to Find, Issuance Takes Off

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Junk bonds are back. The high-yielding issues sold by companies that are considered below investment grade are in favor with investors desperate for better yields than the meager returns available on Treasury bonds and other low-risk securities.

A look at current Treasury returns tells the story. The 30-year bond is yielding 6.22 percent, about the lowest level in 16 years, while the 5.60 percent available on 10-year issues is the lowest in two decades. A year ago, the 30-year issue returned 7.45 percent and the 10-year yielded 6.69 percent.

By way of comparison, a recent 10-year issue by Outdoor Systems Inc., which operates billboards, is yielding 9.53 percent in the secondary market. The issue was rated B2 by Moody's and B by Standard & Poor's. A double-B issue by Seagull Energy Corp. and due in 12 years offers 7.92 percent.

Publicly sold issues this year have already exceeded the record level of 1992. Junk issues in the public market this year have totaled \$37.4 billion, compared with \$37.5 billion last year. When a wave of private placements is added, the total for the year is already about \$48 billion, according to the Duff & Phelps/MCM Investment Research Co.

[This week, about \$110 million of junk issues are to be sold, Bloomberg Business News reported. The biggest sale is \$270 million of senior notes by Unimroyal Chemical Co.]

The high-yield bonds from companies at the top of the noninvestment-grade ranks, the double-B category, have already been received warmly. These include companies such as News Corp. and Turner Broadcasting System, whose bonds are speculative but which have elements of protection for investors.

But the search for yields is now opening the market to companies, like Dal-Tile Interna-

national, a leading producer of tiles, with much lower credit ratings — in this case, the Clevel. Six months ago, Dal-Tile could not have sold a junk issue, said Margaret D. Patel, senior vice president at Boston Security Counselors, a junk-bond fund manager in Boston. This month, however, it sold \$135 million of senior secured five-year notes at a 12 percent yield, although Ms. Patel said the prospectus made clear the company did not have the resources

One problem: Falling interest rates signal a weak economy, had news for junk issuers.

fallen angels, sold by investment-grade companies that later fell on hard times.

Mr. Milken's contribution was to arrange buyers for high-yielding debt, which allowed low-grade bonds to be issued. The money raised was often used to finance hostile takeovers, helping to fuel the spectacular stock market advance of the mid-1980s. Buyers were compensated for their risks by interest rates far higher than they could get on high-grade bonds. But Mr. Milken was linked to a web of alleged frauds that brought about the collapse of Drexel and his own imprisonment.

After Drexel disappeared in 1990, other firms moved into the field of underwriting junk bonds, but the market took time to recover from the loss of its single dominant player.

As for the current surge, Ms. Patel said she thought it would continue. "I don't think there is a significant general risk in the junk-bond market," she said. That means there is no threat of a collapse.

She said the spreads between the yields on junk-bond issues and comparable Treasury securities had remained relatively wide and, therefore, still "signal a buying opportunity."

The risk, she said, "is on a credit-specific basis." In the rush of new issues, especially those with low credit ratings, there are opportunities to make the wrong choice.

But Mr. Pennington said he was worried that the market was too high. He said the decline in interest rates, which is sending investors to the higher yields in the junk market, may be signaling a problem. The drop, he said, had come in part because traders and investors were expecting the economy to remain sluggish for a lot longer than many economists had forecast.

If the market is right and the economy is not picking up momentum, that is bad for the companies that sell junk bonds, he said, because they need a revived economy to generate cash flow to keep them healthy.

Dollar Hit By Doubt On Trade

Yen Is Stronger As Accord Fades

Compiled by Our Staff From Dispatches
NEW YORK — The dollar fell against the yen Monday amid doubts in the foreign-exchange market that there would be any quick trade agreement between Washington and Tokyo.

The U.S. currency had slid by more than a yen at the New York close, to 103.10 yen from 104.20 on Friday.

The dollar rose, meantime, against the Deutsche mark, and currency analysts said market participants were paying for their purchases of yen by selling the German currency. The dollar gained a pence, to 1.5845 DM from 1.6748 DM on Friday.

Analysts said the market was growing impatient waiting for concrete signs that the United States and Japan were shifting from trade rivalry to economic cooperation.

The dollar had drifted down to around 101 yen last week, before the Federal Reserve Board intervened Thursday to support it. The Fed's action followed a pledge by Japan to promote deregulation and expand its economy, a combination that led analysts and currency dealers to conclude that a U.S.-Japan accord on reducing Tokyo's trade surplus might be taking shape.

But after a policy statement by Prime Minister Morihiro Hosokawa on Monday that analysts said contained few details, the market seemed to lose patience.

Mr. Hosokawa pledged in general terms to expand domestic demand, improve access to Japanese markets and increase deregulation. Although Japan may yet come up with concrete steps to deal with its trade surplus and slumping economy, dealers said, market participants decided to hedge their bets.

That translated into resumed yen-buying, although the move was blunted by rumors of new Fed intervention as the dollar neared 103 yen. The market's consensus was the rumors about the Fed were bogus, but See DOLLAR, Page 10

Toshiba East German Dealings Studied

By Andrew Pollack
New York Times Service

TOKYO — Authorities here are looking into a report that Toshiba Corp., which was involved in a controversial sale of equipment to the Soviet Union in the 1980s, might also have illegally provided advanced semiconductor technology to the former East Germany.

The Sankei Shimbun, a major Japanese newspaper, reported Monday that Toshiba and Mitsui & Co. had agreed in 1986 to help East Germany build a plant to manufacture advanced computer memory chips.

Both Toshiba and Mitsui, a trading compa-

ny, denied the report. An official in the export division of the Ministry of International Trade and Industry said the agency had investigated the reports five years ago and found no violation of international rules. He also said the United States knew of the reports at the time.

This official added, however, that the ministry, which is charged with enforcing export-control regulations, would review its conclusions in light of the new charges. Toshiba officials visited the ministry Monday to discuss the situation.

The Sankei newspaper said the agreement between Toshiba and East Germany fell apart the following year when it came to light that

Toshiba Machine Co., a Toshiba subsidiary, had sold sophisticated milling machines to the Soviet Union that could be used to make submarines quieter.

When this disclosure caused outrage in the United States, Toshiba hastily ended its agreement with East Germany and tried to destroy all evidence of it, the newspaper said.

Exports to Communist nations are restricted by the Coordinating Committee for Multilateral Export Controls, or Cocom. The technology to build a factory to make 256-kilobit dynamic random access memory chips, or 256K DRAMs, would have violated Cocom regulations at the time, the newspaper said.

American Banks Are Fighting Back

By Jerry Knight and Steven Pearlstein

WASHINGTON — The NationsBank branch at 20th and K Streets NW is banking the way it's always been — tellers behind marble counters taking deposits, customer service specialists at walnut

bonds and anything else a stockbroker can offer, too.

American banks are struggling to adapt to the revolution in technology unleashed by computers and creative competitors who have figured out ways to do everything banks do, better and cheaper. Many bankers have decided they must either evolve quickly, or die.

Second of two articles.

They are seeking more services to offer customers and better and cheaper ways of providing them. These banks of the future are not the New York "money centers" that have traditionally dominated U.S. banking, but regional upstarts like NationsBank and First Union Corp. from Charlotte, North Carolina; Banc One of Columbus, Mellon of Pittsburgh and First Chicago.

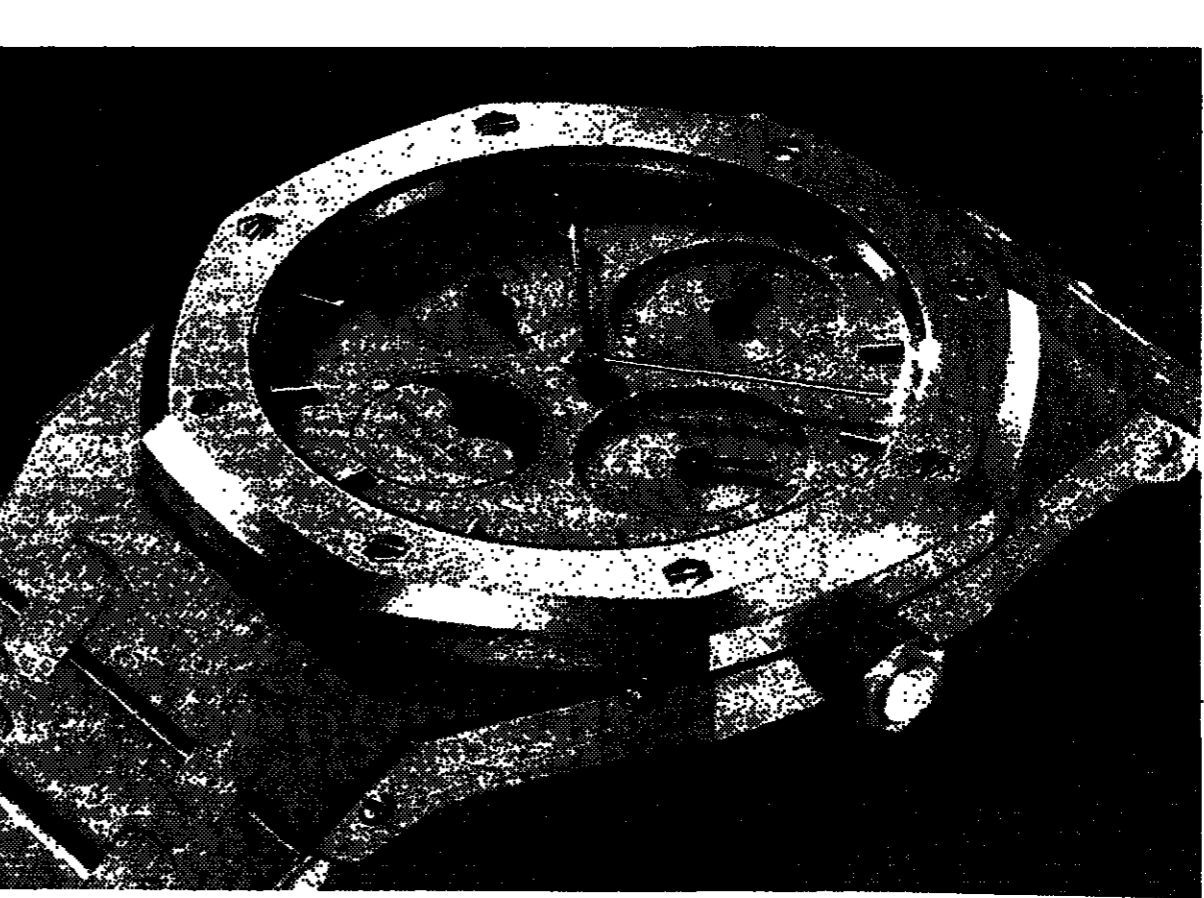
decks making loans and a big chart showing today's rates on savings accounts, certificates of deposit, car loans and mortgages.

Just one floor above is the bank of the future: Data from the New York Stock Exchange flickers on computer monitors, desks are piled with mutual fund brochures and financial counselors dispense advice on estate planning, retirement accounts and investment strategies behind smoked glass partitions.

Within the next few weeks, 30 NationsBank branches in the Washington area will be similarly transformed. In the first partnership between a major bank and a big Wall Street broker, NationsBank and Dean Witter Securities plan to open 500 financial supermarkets nationwide offering not only all the usual banking services but mutual funds, stocks and

See BANKS, Page 11

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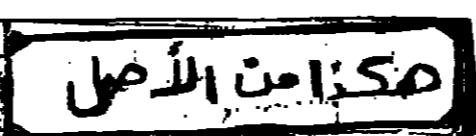
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CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits							Key Money Rates																							
Aug. 23										Aug. 23							Aug. 23																							
American	1.00									Dollar	D-Mark	Swiss	French	British	ECU	1 month		3 months		6 months		1 year		Discount rate	Call money	1-month	3-month	6-month	1-year	18-month	24-month	2-year	3-year	4-year	5-year	6-year	7-year	8-year	9-year	10-year
Berlin	1.79	2.51								1 1/4-3 3/4	4 1/4-4 3/4	4 1/4-4 1/4	5 1/2-6	7 1/2-7 1/2	7 1/2-7 1/4	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	2 1/4	



MARKET DIARY

Stocks and Bonds Take a Breather

NEW YORK — Stocks and bonds eased away from the record highs hit last week in tight Wall Street trading on Monday.

"We're just running out of good news with all the indexes hitting new highs," said Nigel Pringle, leader at Kleinwort Benson North America. "People are piling money into mutual funds because there's no return on certificates of deposit, but just because there's nothing else around doesn't mean you should be buying at these levels."

The Dow Jones industrial average slipped 9.50 points, to 3,605.98, while falling indexes on the New York Stock Exchange outnumbered advances by an 8-to-7 ratio.

The bellwether 30-year Treasury bond lost 3/32, to 100 12/32, where its yield was 6.22 percent, unchanged from Friday.

Merck led the New York Stock Exchange actives, down 1/2 to 32 1/2. It has been active since announcing plans late last month to acquire Medco Containment Services, a mail-order drug retailer, for \$6 billion in cash and stock.

Chrysler followed, up 1/4 at 41 1/4.

IBM followed, up 1 1/4 to 44 1/4. After the paper company was recommended by the money manager John Bowling in a publisher report.

Intel, the most-active over-the-counter issue, rose 1/4 to 64 1/4. It was recommended by Jeffrey Miller, managing director of Prudential Investment Counsel, on television.

In other OTC trading, 3DO fell 1 to 25, extending its slide from Friday as Silicon Graphics and Nintendo formally announced plans to challenge it in the market for 32-bit video games. Silicon Graphics rose 1 to 39 1/2. 3DO is expected to have its three-dimensional virtual-reality game out this year, at a cost of about \$700, while the Nintendo-Silicon Graphics model is to be priced at less than \$250 but will not be available for home use until late 1993. An arcade version is planned for 1994.

A&W Brands rose 1 to 19 1/4 after a report that Cadbury Schweppes was interested in buying it. Cadbury denied the report, and its American depository receipts fell 1/4 to 28 1/4.

(Bloomberg, UPI, Reuters)

DOLLAR: Uncertainty Helps Yen

Continued from Page 9

recalling the market ambush of Thursday, traders backed off. Yet the idea of a "discreet" Fed intervention had a certain plausibility about it, several dealers said. One chief dealer said he believed the Fed came in buying dollars via only one bank, hoping the movement would appear to be merely a commercial transaction.

"You must remember the dollar level of 103 is very important psychologically," this dealer said. "If the dollar falls below that, into the 102.50 yen level, you'll see many big funds, the big speculators, jump in ready to sell dollars again, as they had last week."

The mark stood on fresh speculation that the Bundesbank may ease interest rates Thursday, when its policy-making council reserves meetings after a four-week summer recess.

The dollar was stronger against other European currencies, as well, rising to \$86.60 French francs from \$83.75 on Friday and to 1.4810 Swiss francs from 1.4670. The pound was lower, at \$1.5055 after \$1.5149.

New York trading volume was about one-third of normal, dealers said. Half of Europe is on its August vacation and so is much of the New York market.

(Knight-Ridder, Reuters, AP)

FRANC: Bank of France Signals the Currency Crisis Is Officially Over

Continued from Page 1

inflation rate that is less than half of Germany's.

It is a desire to preserve that low inflation rate that most economists say will make Paris reluctant to aggressively bring down borrowing costs. Instead of a few sharp cuts, they predict a series of small downward nudges designed to avoid a steep fall in the franc that French policymakers fear could reignite inflation.

Many experts now see that course as the only one left open. "They missed their opportunity by not cutting rates by 1.5 percent on the Monday after wider currency bands were announced," said Hans Schöberl, chief currency dealer at Bayerische Vereinsbank in Munich.

"Now they must do it gradually."

But some experts argue that a gradualist approach is not good enough. Malcolm Barr, a currency economist with Chemical Bank in London, calls it a "half-hearted, half-baked compromise." He predicts it could leave France with interest rates too high to end the recession and an economy too weak to bolster the franc.

Given the uncertainties that remain, most currency traders expect the franc to trade anywhere from 3.40 to 3.60 against the mark in the remainder of the year. No one sees any risk of it piercing 3.8944, the lower end of its new band.

WORLD STOCK MARKETS

Market	Index	Change	High	Low	Open	Close
Amsterdam	AMX	+1.25	175.32	173.75	174.50	175.00
Brussels	BRX	+1.50	282.50	280.00	281.50	283.00
Frankfurt	DAX	+1.75	2250.00	2240.00	2245.00	2251.75
London	FTSE 100	+1.50	2940.00	2930.00	2935.00	2941.50
Paris	CAC	+2.00	4800.00	4780.00	4790.00	4802.00
Hong Kong	HSE	+15.00	9500.00	9400.00	9450.00	9500.00
Madrid	IBEX	+1.00	3200.00	3180.00	3190.00	3201.00
Milan	ISEQ	+1.50	2800.00	2780.00	2790.00	2801.50
Sao Paulo	Ibovespa	+50.00	12000.00	11800.00	11900.00	12050.00
Singapore	SSE	+10.00	2600.00	2580.00	2590.00	2600.00
Stockholm	OMX	+1.00	1800.00	1780.00	1790.00	1801.00
Zurich	SIX	+1.50	4800.00	4780.00	4790.00	4801.50
Others						

The Dow

Open	High	Low	Close
3580.75	3610.00	3570.00	3605.98
Change	-9.50		

Open	High	Low	Close
100 12/32	100 11/32	100 12/32	100 12/32
Change			-3/32

Dow Jones Averages

Open	High	Low	Close
3580.75	3610.00	3570.00	3605.98

Standard & Poor's Indexes

Index	Open	High	Low	Close
Industrials	458.17	461.00	455.00	459.50
Utilities	178.22	179.50	177.00	178.00
Financial	152.48	153.50	151.00	152.00
SP 500	458.17	461.00	455.00	459.50

NYSE Most Active

Symbol	Vol.	High	Low	Close
Merck	2718	32 1/2	31 3/4	32 1/2
IBM	1848	44 1/4	43 3/4	44 1/4
Intel	1128	64 1/4	63 3/4	64 1/4

NYSE Diary

Category	Class	Prev.	Change
Advanced	250	1500	+100
Declined	200	1500	-100
Unchanged	150	1500	0

NASDAQ Indexes

Index	Open	High	Low	Close
Composite	731.50	735.00	725.00	733.00
Biotech	1120.00	1130.00	1110.00	1125.00
High Tech	1500.00	1510.00	1490.00	1505.00

EUROPEAN FUTURES

Contract	Open	High	Low	Close
March 1993 (LME)	112.50	113.50	111.50	113.00
June 1993 (LME)	114.50	115.50	113.50	115.00

AMERX Stock Index

Symbol	Open	High	Low	Close
AMERX	48.75	49.50	48.00	49.00

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U.S. FUTURES

Contract	Open	High	Low	Close
Wheat (CBOT)	2.30	2.35	2.25	2.32
Wheat (KCBT)	3.15	3.20	3.10	3.18

COMMODITIES

Commodity	Open	High	Low	Close
Oil (NYMEX)	25.80	26.00	25.60	25.90
Natural Gas	3.50	3.60	3.40	3.55

Financial

Instrument	Open	High	Low	Close
3 M Treasury Bill	98.50	98.75	98.25	98.60
10 Y Treasury Note	102.50	102.75	102.25	102.60

Stock Indexes

Index	Open	High	Low	Close
SP 500	458.17	461.00	455.00	459.50
NASDAQ	731.50	735.00	725.00	733.00

U.S./AT THE CLOSE

Morgan Net Soared 88% in Quarter

NEW YORK (AP)—Morgan Stanley Group Inc., one of Wall Street's largest brokerage firms, said Monday that its second-quarter earnings had risen 88 percent from a year ago on strong revenue from investment banking as well as securities trading.

Morgan Stanley reported net income of \$224.2 million for its second quarter, which ended July 31.

The results were in line with the earnings of other major brokerages, released last month, which showed strong trading revenues due to volatility in the bond and currency markets. Falling interest rates have also benefited brokerages and banks by lowering the cost of their money.

Ipalco Withdraws From Battle for PSI

INDIANAPOLIS (AP)—Ipalco Enterprises' chairman conceded defeat Monday in its \$1.7 billion hostile takeover bid for PSI Resources Inc., apparently ending a tug-of-war that has lasted for months for the state of Indiana's largest utility.

Chairman John Hodowal of Ipalco said his company had been unable to secure the proxy votes needed to elect a slate of candidates to the PSI board. The decision to withdraw clears the way for a friendly PSI merger with Cincinnati Gas & Electric Co.

Ipalco, owner of Indianapolis Power & Light Co., and PSI were backing rival five-candidate slates for the PSI board. Ipalco had offered \$30.30 per share, while CG&E's offer was put at about \$28.

United Technologies Fined by EPA

NEW YORK (Knight-Ridder)—The U.S. Department of Justice and the Environmental Protection Agency said Monday that they had ordered United Technologies Corp. to pay \$5.3 million for "widespread, serious and repeated" environmental damage.

The aerospace and automotive giant must also undergo one of the most extensive environmental audits in the history of the agency.

Violations included improper handling of hazardous waste, storage of such waste without a permit, inadequate record-keeping, inadequate training of personnel, failure to complete waste analysis, and inadequate groundwater monitoring.

For the Record

Volvo AG said that its Brazilian unit had resumed production of the Beetle model and that 20,000 vehicles would be manufactured annually.

IBM, seeking new revenue and more control of the personal-computer market, is developing designs of chips that duplicate the functions of Intel Corp.'s most powerful microprocessors, industry sources said.

Merrill Lynch & Co., which shut down its trading operation in British government bonds in 1989 after posting losses, plans to apply within weeks to become a market-maker again.

American Airlines is expanding the marketing of a money market fund that lets people save and earn extra frequent-flyer miles at the same time. Investors will be able to put money into the fund through Jack White & Co. of San Diego, the first time the fund has been available through a brokerage.

- Weekend Box Office**
- | Rank | Title | Box Office |
|------|------------------------|----------------|
| 1. | "The Fugitive" | \$16.6 million |
| 2. | "Hard Target" | \$11.1 million |
| 3. | "The Secret Garden" | \$6.3 million |
| 4. | "Jurassic Park" | \$5.7 million |
| 5. | "In the Line of Fire" | \$5.5 million |
| 6. | "Patriot Games" | \$5.2 million |
| 7. | "Farewell My Love" | \$5.1 million |
| 8. | "The Untouchables" | \$4.8 million |
| 9. | "Sleepless in Seattle" | \$4.7 million |
| 10. | "The Firm" | \$4.7 million |

German Chemicals Fizzle

Recession Scars BASF, Bayer and Hoechst

Compiled by Our Staff From Dispatches

FRANKFURT — BASF AG, Bayer AG and Hoechst AG are all expected over the coming days to report sharply lower pretax profits for the second quarter and the first half.

Most analysts said BASF would post by far the largest percentage drop of the three because of its greater exposure to a weakening European economy and its lack of a major nonchemical pharmaceutical division.

A number of analysts were forecasting that BASF's first-half profit would decline by about 45 percent to around 540 million Deutsche marks (\$320 million). Hoechst was widely expected to fall about 25 percent to 840 million DM and Bayer, which is cushioned in difficult markets by its extensive pharmaceutical operations, was expected to show a drop of 20 percent to 1.4 billion DM.

BASF and Bayer have said they will announce results on Thursday, while Hoechst will release its interim report next Monday.

Thomas Schiesle, an analyst with BHF Bank, said it was difficult to predict profit because business volume had fallen for the industry even though prices had not declined as much as in the first quarter. "So it's difficult to calculate the net effect," he said.

Petra Zamagna, an analyst at Deutsche Bank, said that the argument that the stronger dollar would help Hoechst and Bayer would not carry weight until the

third quarter. "In the second quarter, the dollar was at about the same level as in the year-earlier period," she noted that pretax profit had fallen slightly this year at Celanese, the U.S. unit of Hoechst.

An analyst at another major bank said that BASF was especially vulnerable to economic weakness, not only because it lacked a major pharmaceuticals branch but also because it was dependent on the highly cyclical European plastics and agrochemicals business.

The analyst noted that BASF's sizable U.S. operations would not be sufficient to offset losses sustained at German units. BASF's profit would also be depressed by falling margins in its refinery business because of overcapacity in the industry, he said, adding that subsidies to its refinery in Louisiana in Eastern Germany had kept capacity "artificially high."

Analysts said that sales and profit for all three companies had fallen over the last three years largely because the companies did little restructuring to prepare for the recession in Western economies. Unlike some of their competitors, like Imperial Chemical Industries PLC of Britain which has announced major job cuts, the Germans have opted to skim only a few workers and wait for an upturn in their sector.

The number of employees in the German chemicals industry fell only 4.3 percent in the first five months of 1993, to 563,900, from the end of last year. (AFX, Bloomberg)

Russia Acts On Alcohol And Tobacco

The Associated Press

MOSCOW — Russian lawmakers have banned alcohol and tobacco advertising on radio, television, newspapers and magazines, ITAR-Tass reported Monday.

The news agency said the law went into effect last week as part of a health-care package approved by the Supreme Soviet.

Several Moscow-based advertising agencies that represent cigarette and liquor companies said Monday they were unaware of the new law. Michael Parsons, spokesman for Philip Morris International, said his company was uncertain what impact the law would have.

ITAR-Tass said the ban applied to all "mass media." It was unclear whether billboards and other outdoor advertisements would be excluded.

Beer, liquor and tobacco companies, including international companies, have become major advertisers in Russia in the past year.

As the number of smokers in the leading industrial countries declines, American and European cigarette companies have aggressively pursued the Russian market.

WPP Profit Rises As Its Interest Bill And Charges Drop

Compiled by Our Staff From Dispatches

LONDON — WPP Group PLC, the world's largest advertising company, reported Monday that its pretax profit had soared in the six months ended June 30, to £24.1 million (\$36.2 million).

The latest profit came on revenue of £699.7 million, a 16.4 percent increase, and compared with £1.8 million during the corresponding six-month period of 1992.

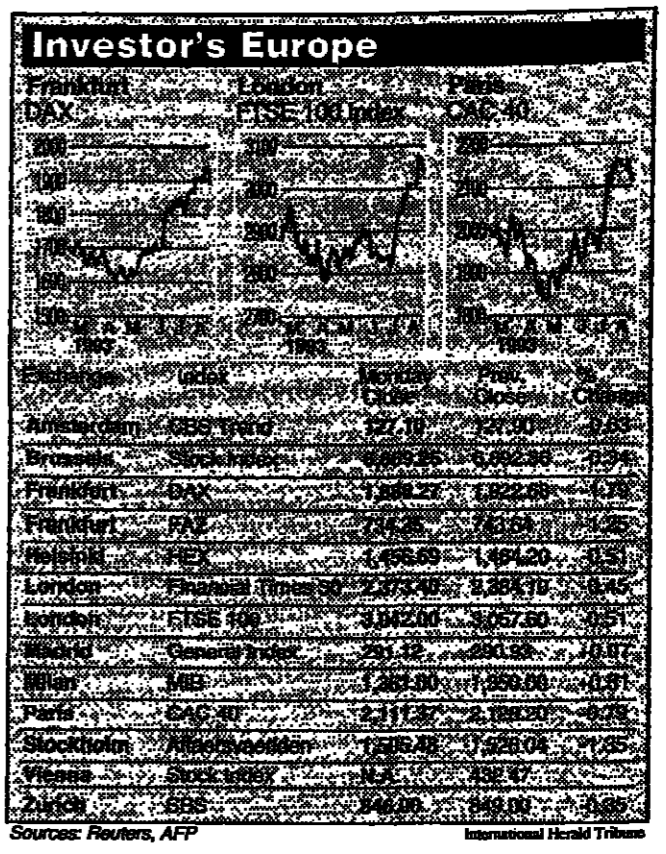
The improvement in profit came about largely because one-time charges dropped to £2.9 million from £12.7 million and interest charges declined to £15.6 million from £20.5 million.

Average net debt in the half-year was down 22 percent to £372 million, from £476 million last year.

WPP, which owns J. Walter Thompson Co. and Ogilvy & Mather Worldwide, announced a restructuring last year that gave banks a 48 percent stake in the company. In return, the banks eased a burdensome debt taken on when the company bought the two big agencies in the late 1980s.

WPP said it may reduce its debt further by selling Seal McCabe Sloves Inc., an international advertising network that Interpublic Group, a New York advertising holding company, is reportedly trying to buy. WPP has also considered selling its market-research activities and operations in Southeast Asia.

WPP said it may also seek to raise \$200 million by selling unsecured notes. (Bloomberg, Reuters, AP)



Profit and Payout Fall at MAN

Compiled by Our Staff From Dispatches

MUNICH — MAN AG said Monday its net profit had fallen 45 percent, to 230 million Deutsche marks (\$136.3 million), in the year ended June 30, and the engineering concern cut its dividend for the year to 8.50 DM a share from 12.

Sales fell 1 percent to 18.97 billion DM.

The engineering and truck-manufacturing company blamed the lower profit on poor business conditions, price pressures and costs associated with cutting its work force.

It also said that the rise of the mark against other major European currencies during the year had limited German industry's export ability and that "positive tendencies" in the American economy had not yet helped German exporters.

Analysts said the fall in profit had been expected and said MAN's earnings should stabilize in the current financial year.

But Hans-Joachim Filz, chief analyst at M.M. Warburg & Co. in

BANKS: Fighting to Adapt to a Financial Revolution

Continued from Page 9

influential lawmakers. They fear banks are trying to take too many risks and if the experiments cause banks to fail, the Federal Deposit Insurance Corp. will have to pick up the tab.

The constraints of operating a federally insured, federally regulated bank are so onerous that bankers would be willing to give up deposit insurance if they could be freed from all the government regulations that go with it, said Richard Thomas, chairman of First Chicago Corp.

Until that day comes, Mr. Thomas is finding new ways to compete with his unregulated rivals. In order to issue credit cards more cheaply, First Chicago has set up a special bank in Delaware that does not have deposits, and so does not pay costly FDIC premiums, because it raises the money it lends credit card customers in the wholesale financial markets.

Finding more, cheaper ways than paying interest to attract small

Very briefly:

- French consumer prices rose 0.1 percent in July from June; the annual inflation rate in July was 2.1 percent, up from 1.9 percent in June.
- Assoriparimo, the Italian small-investors association, asked the stock-market regulator, Consob, to suspend trading in Ferruzzi Finanziaria SpA and Montedison SpA because investors were not receiving the same information as large players, including creditors.
- Thyssen AG's steel subsidiary, Thyssen Stahl AG, expects an operating loss in the year to Sept. 30 followed by a return to profit in the second half of the following year as effects of 10,000 job cuts since late 1992 take hold.
- Occidental Petroleum Corp., which won a tender in March to search for oil in the autonomous Komi Republic of Russia, is negotiating a second deal in the arctic area.
- UNI Storebrand A/S said profit before extraordinary items rose to 444 million kroner (\$60.8 million), from 44 million a year earlier; net operating profit at the Norwegian insurer was up 8.4 percent, at 10.93 billion kroner, thanks to rising stock prices and falling interest rates.
- British Telecom PLC's proposed purchase of 20 percent of MCI Communications Corp. will be examined by the EC Commission, which has one month to decide if a full investigation is warranted. (AFX, AFP, Reuters, AP)

London Tabloids Keep Up Battle

Agence France-Presse

LONDON — The summer circulation battle among British newspapers took a new turn Monday when The Sun, the tabloid owned by Rupert Murdoch, said it would keep its new reduced price of 30 pence (30 cents) until the beginning of next year.

It cut 5 pence off the price last month and said its circulation was now up to 3.75 million copies a day, putting it 1.1 million ahead of The Daily Mirror, its chief rival.

Airport Firms Are Asked To Reply to EC Carriers

Compiled by Our Staff From Dispatches

BRUSSELS — The EC Commission said Monday it had asked airport handling companies in Spain, Milan and Frankfurt to respond to complaints from European airlines about high prices and inefficiency caused by monopoly practices.

KLM Royal Dutch Airlines confirmed that it and six other EC airlines had complained to the commission about the ground-service monopolies, which handle such tasks as refueling planes and loading and unloading baggage.

KLM said it and Air France, Alitalia, British Airways, Lufthansa, Scandinavian Airlines System and Sabena had complained to the EC Commission that rates charged by monopoly concerns were 30 percent to 50 percent higher than in airports where carriers had a choice of services. (AFX, Reuters)

ING Quits U.S. Banking

Bloomberg Business News

NEW YORK — ING Bank, a unit of Amsterdam-based International Nederlanden Groep NV, said Monday that it was quitting the U.S. commercial-banking business in favor of investment banking.

ING Bank said that after Nov. 1 it would no longer collect deposits at its offices in New York, Atlanta, Chicago and Los Angeles because U.S. law prohibits financial-services holding companies from owning insurance and commercial-bank units.

A company spokeswoman said that when ING was formed in 1991 from the merger of Nationale Nederlanden, an insurance company, and NMB Postbank Groep, the Federal Reserve System gave it a four-year exemption from the U.S. law. ING was given the time to separate from its U.S. insurance operations, but now has chosen not to.

On Nov. 1, ING Bank will transfer its assets to ING (U.S.) Capital Corp., ING (U.S.) Capital Markets and ING (U.S.) Securities.

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Stock	Div	Yld	PE	12 Month High	12 Month Low	Stock	Div	Yld	PE	12 Month High	12 Month Low	Stock	Div	Yld	PE
120	100	IBM	4.00	4.0	12.5	120	100	IBM	4.00	4.0	12.5	120	100	IBM	4.00	4.0	12.5
110	90	Microsoft	0.00	0.0	15.0	110	90	Microsoft	0.00	0.0	15.0	110	90	Microsoft	0.00	0.0	15.0
100	80	Apple	0.00	0.0	18.0	100	80	Apple	0.00	0.0	18.0	100	80	Apple	0.00	0.0	18.0
90	70	Oracle	0.00	0.0	20.0	90	70	Oracle	0.00	0.0	20.0	90	70	Oracle	0.00	0.0	20.0
80	60	Novell	0.00	0.0	22.0	80	60	Novell	0.00	0.0	22.0	80	60	Novell	0.00	0.0	22.0
70	50	Lotus	0.00	0.0	25.0	70	50	Lotus	0.00	0.0	25.0	70	50	Lotus	0.00	0.0	25.0
60	40	Intel	0.00	0.0	28.0	60	40	Intel	0.00	0.0	28.0	60	40	Intel	0.00	0.0	28.0
50	30	AMD	0.00	0.0	30.0	50	30	AMD	0.00	0.0	30.0	50	30	AMD	0.00	0.0	30.0
40	20	Motorola	0.00	0.0	32.0	40	20	Motorola	0.00	0.0	32.0	40	20	Motorola	0.00	0.0	32.0
30	15	Texas Instruments	0.00	0.0	35.0	30	15	Texas Instruments	0.00	0.0	35.0	30	15	Texas Instruments	0.00	0.0	35.0
20	10	Advanced Micro Devices	0.00	0.0	38.0	20	10	Advanced Micro Devices	0.00	0.0	38.0	20	10	Advanced Micro Devices	0.00	0.0	38.0
10	5	National Semiconductor	0.00	0.0	40.0	10	5	National Semiconductor	0.00	0.0	40.0	10	5	National Semiconductor	0.00	0.0	40.0

سكربتات الاصل

سكنا من الاصل

NYSE Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Week High, Low, Last, Change. Lists various stocks and their prices.

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INTERNATIONAL FUNDS

Quotations supplied by funds listed. Not exact values quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

Large table of International Funds with columns: Fund Name, 12 Month High, Low, Stock, Div, Yld, PE, 52 Week High, Low, Last, Change. Includes sub-sections like 'INTERNATIONAL INCOME FUND', 'EMERGENCY FUND', 'GLOBAL EQUITY PORTFOLIO', etc.

Advertisement for MEX featuring a large image of a person's face and text: 'MEX', 'Ref', 'Ran', 'Main'.

SPORTS BASEBALL

Showdown at Candlestick Park: Braves, 7½ Back, Get Their Shot

The Associated Press
SAN FRANCISCO — Even though the San Francisco Giants and the Atlanta Braves are separated by 7½ games in the National League West standings, the series opening Monday between the teams is as pivotal as any in the pennant-race-crazy American League.

The top two teams in the division play each other six times in 11 days, starting a three-game series Monday at sold-out Candlestick Park. It's the best — and possibly last — opportunity the second-place Braves, baseball's best team since the All-Star break, will have to close the gap and win their third consecutive division title.

The Giants enter the series riding the euphoria of Sunday's dramatic 7-6 victory over Florida on Robby Thompson's two-run, two-out, ninth-inning homer, but they insist that their approach to the series remains the same.

"This just eases the tension a little bit," Barry Bonds said. "It's just that they're the world's team right now. To be able to hold off that kind of team is an accomplishment."

Since the break, Atlanta is 25-10, buoyed by a recent nine-game win-

ning streak and the July 20 acquisition of Fred McGriff from the San Diego Padres. Trailing by 10 games on July 22, the Braves closed to 6½ on Aug. 17, the closest they've been since June 17.

The Braves defeated Chicago, 4-3, Sunday night at Wrigley Field.

Any other year, they would have made a tight race of it, but the Giants have gone 24-11 since the

NL ROUNDUP

break and are 42 games over .500.

"We won nine in a row and picked up only one game," fumed Atlanta catcher Damon Berryhill.

"Then we lose two and give up a month's worth of work."

San Francisco, which leads the season series, 5-2, has led the West since May 11. But mindful of infamous collapses like the Philadelphia Phillies' in 1964 and the Chicago Cubs' in 1969, the Giants are well aware of how quickly a big lead can disappear.

"We're going to have to play above .500 baseball," Bonds said. "In our team meeting, we decided we wouldn't want to have it any other way. They are making us a better team."

Regardless of their second-half surge, the Braves know they need little short of a sweep to preserve a shot at their third consecutive league championship.

"I don't know if we can catch them, but we're capable of making it pretty hot for them," said Greg Maddux, a pitcher for the Braves. "We'll have to take at least five of six. If we split, we gain no ground, and if we take four of six, we'd only make up two games. We need more than that. They're tough. I know, we've only won two of seven from them."

Giants manager Dusty Baker is starting two left-handers with just 13 wins combined against the Braves' two lefties, Steve Avery and Tom Glavine. Avery has both the Braves' wins against San Francisco this season.

Monday night, the Giants will send Trevor Wilson (7-4) against Avery (13-4). Then it's Bryan Hickerson (6-4) versus Glavine (14-5), and Maddux (14-9) will face Bill Swift (17-5) to cap the series.

Giants 7, Marlins 6: Thompson homered after Bryan Harvey walked Dave Martinez with two outs in the ninth in San Francisco. Harvey sacrificed in the eighth and gave up a sacrifice fly by Bonds and

a two-run single by Willie McGee. Braves 4, Cubs 3: Jeff Blauser's two-run homer off Jose Guzman triggered a four-run fifth, and Smoltz settled down after a shaky start as Atlanta won in Chicago.

Rockies 4, Mets 3: Freddie Benavides broke a 3-3 tie with a homer in the seventh as Colorado, playing at home, swept a three-game series with New York.

Pirates 10, Padres 5: Orlando Merced hit a three-run homer and Dave Clark added a two-run shot in a seven-run fourth as Pittsburgh won in San Diego.

In earlier games, reported in some Monday editions:

Dodgers 3, Cardinals 0: Ramon Martinez struck out six and Eric Davis homered as Los Angeles finished a three-game sweep of visiting St. Louis.

Astros 7, Phillies 3: Jeff Bagwell and Eric Anthony hit consecutive home runs in the first, and then Craig Biggio got Houston's third hit, a home in the third, to help beat visiting Philadelphia.

Expos 7, Reds 2: Sean Berry hit two homers, one inside the park, and drove in six runs as Montreal completed its first winning road trip this season.

Courier Is No. 1 Again, and Feels Good About Open

The Associated Press
INDIANAPOLIS — Jim Courier, again ranked No. 1 and fresh from a victory over Boris Becker, headed Monday for New York and the U.S. Open, one of the two Grand Slam championships that has eluded him.

Courier, who reclaimed the top spot after being ranked No. 2 behind Pete Sampras for 19 weeks, beat Becker, 7-5, 6-3, Sunday for the U.S. Hardcourt title. He had dominated his opposition, never losing a set and dropping only two of his 46 service games in five matches.

"It's the best I have felt going in. Who knows what that means?" he said of the Open, where he finished second in 1991 and reached the semifinals last year. "I felt pretty poor the last two years... We will just have to see what happens. But, I feel really good going in."

Courier will practice with coaches Jose Higueras and Brad Stine this week.

"I am going to give myself the best chance to play well there," he said. "My coaches will get out the whip and see how I feel."

Becker played a title match for the first time since beating Sergi Bruguera on Feb. 14 in Milan. He, too, is going to New York, but to compete in the Hamlet Cup.

Becker, who won the Open in 1989, said his decision to play in the tournament on Long Island was made long before he knew he was ranked No. 1.

With a 7-0 romp over Venezuela, Bolivia raised its record in World Cup qualifying play

Papin on Bribe Case: Play With Fire, You Get Burnt

Agence France-Press
PARIS — Jean-Pierre Papin, the captain of France's national team, has suggested that Olympique Marseille, the team on which he played for six seasons, paid bribes to win two European Cup matches last season in addition to the French league match it has been accused of trying to fix.

The star forward, who left Marseille to join AC Milan in 1992, left little doubt that he believed allegations that there had been an attempt to bribe Valenciennes players before a league match on May 20.

"You say 'alleged,'" Papin told France Foot- ball magazine. "Okay, it is true that so far nothing has been proved. But nobody is fooled."

"If you play with fire you have to get burnt one day," he added.

The controversial match with Valenciennes came six days before Marseille beat Milan, 1-0, to win the Champions' Cup.

Papin denied that his comments were motivated by sour grapes after that defeat but cast doubt on the integrity of Marseille's two easy victories in the semifinal series. The French club beat CSKA Moscow, 6-0, and Belgium's FC Bruges, for which Papin once played, 3-0.

"There was that easy victory over FC Bruges, and I know what I am talking about when I mention that club," Papin said.

Bolivia, for years the street urchin of South American soccer, is on the verge of joining the sport's elite in the 1994 World Cup in the United States. The Associated Press reported.

With a 7-0 romp over Venezuela, Bolivia raised its record in World Cup qualifying play

to 5-0 on Sunday, all but assuring the country of its first trip to the finals since 1950.

The rout in La Paz touched off celebrations throughout a country where soccer is usually associated with neighbors like Brazil, Argentina and Uruguay.

With three qualifying matches remaining — all on the road, against Brazil, Uruguay and Ecuador — Bolivia needs only a tie to assure a World Cup berth.

Bolivia, having outscored its opponents by 20-2, has 10 points in the South American Group B, four more than Brazil and six ahead of Ecuador and Uruguay. Two teams from the group advance.

Bolivia broke open the Venezuela match with six goals in the second half, two each by Milton Meizer and Marco Etcheberry. Bolivia had beaten Venezuela by 7-1 on July 18.

Bolivia claimed second place in the group with a 2-0 victory over Ecuador, and Argentina moved ahead of Colombia and into the Group A lead with a 2-1 victory over Peru. Colombia slipped behind on goal differential with a 1-1 draw at Paraguay. Only one Group A team is assured a World Cup spot, although the runner-up can advance by winning a playoff with Australia.

In Sao Paulo, Brazil, Bebeto scored in the first half and set up Dunga for another goal in the second before a crowd of 80,000. So strong was Brazil's defense that goalkeeper Claudio Taffarel did not have to make a save. Next Sunday the three-time World Cup champs try to avenge their 2-0 loss to Bolivia.

16-Year Duo Shows Old-Timers the Way

The Associated Press
On old-timers' day at Tiger Stadium, it was fitting that Lou Whitaker and Alan Trammell would lead Detroit to a victory.

Whitaker gave Detroit a 2-0 lead with a two-run double in the third inning, and Trammell had three hits for the second straight day as

AL ROUNDUP

the 16-year double-play combination produced four hits and three RBIs in a 5-3 victory over the Oakland Athletics.

The Tigers, having won five of their last six, went four games over .500 for the first time since July 26. Trammell is hitting .500 in his last 11 games.

"In 16 years up here, I know I've been hot before, but I don't really remember the times," he said. "If someone brings a series up to me, I'll remember it, but I really draw a blank on my own."

"I also know this is a very humbling game and that this will all turn around pretty soon."

An earlier five-inning old-timers' game had marked the 25th anniversary of Detroit's World Series upset of the St. Louis Cardinals, but for Trammell it was depressing to watch.

"Some of those guys are old teammates of mine and Lou's," Trammell said, referring to John Hiller and Mickey Stanley. "It's always nice to catch up with old teammates, but it also makes you realize that it won't be long until we're the ones playing in the old-timers' game."

Brewers 7, Angels 5: Tom Lampkin scored twice and drove in a run

without getting a hit as visiting Milwaukee defeated California.

Milwaukee took the lead in the second with five runs against left-hander Joe Magrane, making his AL debut following his release by St. Louis.

In earlier games, reported in some Monday editions:

Indians 3, Red Sox 2: Reggie Jefferson's run-scoring grounder in the 11th gave Cleveland its first four-game series sweep at Fenway Park in 33 years as it began to look like another sad September in Boston.

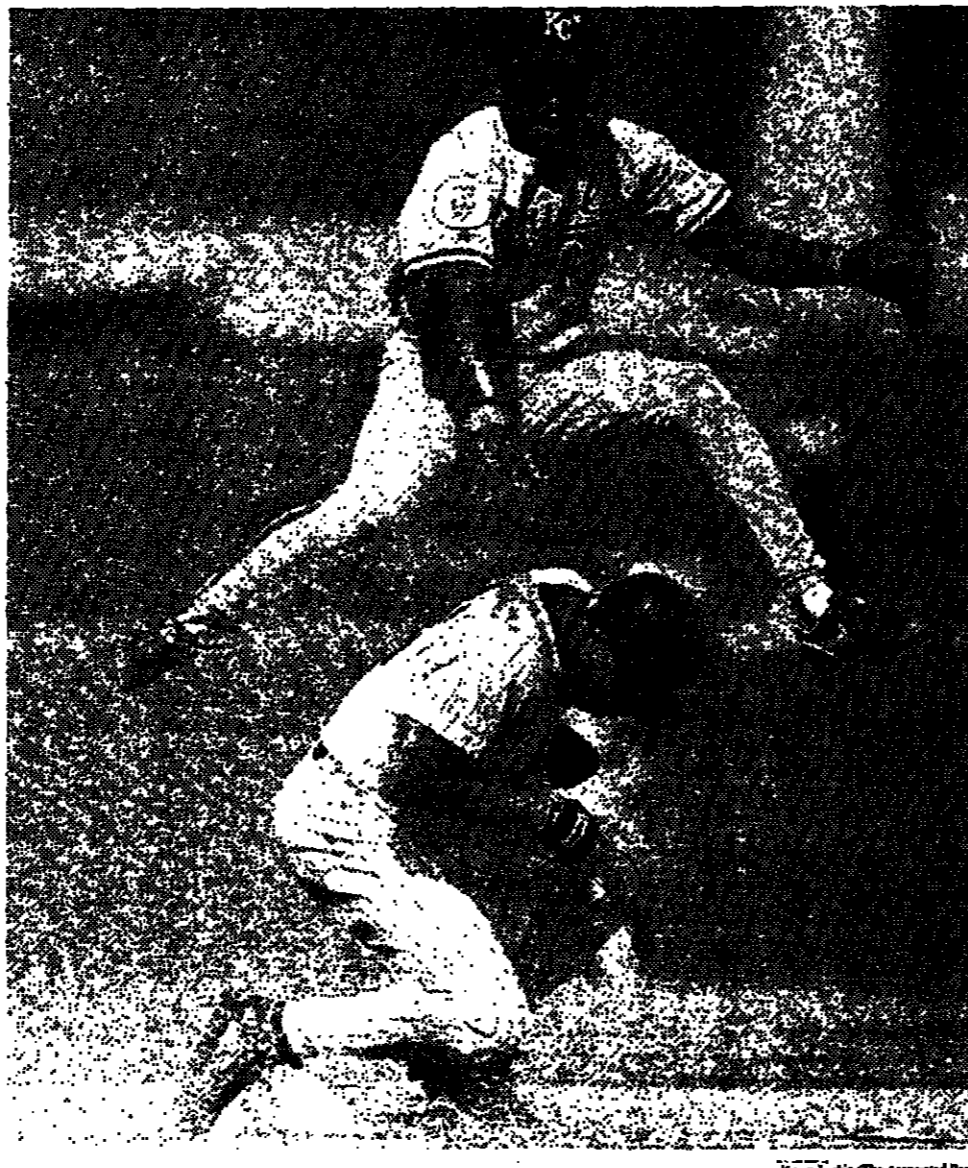
The loss dropped the Red Sox six games behind first-place Toronto in the A.L. East. The Red Sox were 13 games out of first place on June 20, then went on a run that put them in first on July 23. But they lost nine of 12 on this homestand.

Blue Jays 12, Mariners 7: Tony Fernandez and Ed Sprague each drove in two runs in a five-run seventh as Toronto, playing at home, rallied after blowing a 5-0 lead against Seattle and moved one game ahead of New York.

White Sox 1, Twins 0: Jack McDowell became a season's first 20-game winner, escaping trouble several times but making Frank Thomas's first-inning homer stand up as Chicago won in Minneapolis to remain four games ahead of second-place Kansas City in the West.

Thomas's homer was one of only three hits off Jim Deshaies.

Rangers 11, Orioles 4: Butch Davis hit the first inside-the-park homer at Camden Yards, and Rafael Palmeiro and Dean Palmer also homered as Texas ended Baltimore's nine-game home winning streak.



Second baseman Jose Lind flew over Danny Tartabull to get a double play and the Royals rose up to win, 7-0, on Chris Haney's four-bitter as Kansas City averted a three-game sweep in New York.

The Young Nicklaus, Mickelson, Is Bearish In the International

The Associated Press
CASTLE ROCK, Colorado — They are inevitable, these comparisons to a young Jack Nicklaus. They may not be fair, but Phil Mickelson keeps inviting them with his play.

The 23-year-old left-hander ran away with the International on Sunday, becoming the youngest player since Nicklaus to win three PGA Tour events.

Mickelson recorded nine birdies and two bogeys — worth 16 points under the modified Stableford scoring system used in this unique event — and finished with a tournament-record 45 points. That was eight points better than runner-up Mark Calcavecchia's 57. Phil Blackmar was third at 33.

Mickelson, who won the Northern Telecom Open in 1991 while still an amateur at Arizona State, got his second victory this season, having won the Buick Invitational of California in February. With a check for \$234,000 on Sunday, he boosted his season's earnings to \$542,765 and moved into 13th place on the money list.

"He's got a huge amount of talent," Calcavecchia said. "With his game, he can be very, very explosive. I'll give him credit for one thing. When he gets a chance to win, he knows how to do it. He's not afraid of anybody. He's a great player."

Scott Simpson, who tied Greg Norman for fourth place, said, "He has the potential to win lots of majors and tournaments."

Hiroshi Kobayashi of Japan equalled the tournament record with a final-round 7-under-par 65, then made a three-foe (90-over-par) putt for par on the first playoff hole to beat Cindy Rankin in the Minnesota LPGA Classic in Brooklyn Park, Minnesota.

Kobayashi, who won her first LPGA event last month, got off her eight birdies on the back nine of the snug 6,141-yard course as she tied the tournament record set by Barb Bunkowsky in 1990.

On the playoff hole, Rankin dropped her approach shot 20 feet from the pin and Kobayashi followed with a shot 18 feet from the hole. Rankin's putt for birdie sailed five feet past the hole and Kobayashi's broke off after she missed the break.

SIDELINES

EC Backs Paris Horse Racers
BRUSSELS (AFP) — Pari Mutuel Urbain, which comprises 10 French horse-racing bodies, has the right to prevent races under its control from being broadcast by the Belgian affiliate of the British bookmaker Ladbrokes, the European Commission said Monday.

Ladbrokes had claimed that PMU was violating EC competition regulations by allowing its races to be broadcast to bookmakers in Germany but not to those in Belgium and some other countries.

James Quits as Husky Coach
SEATTLE (AP) — Don James quit as the University of Washington's coach hours after the Pacific-10 Conference put the football program on a two-year probation and barred the team from playing in post-season games for the next two seasons. Jim Lambright, an assistant coach at the school for 25 years, was named James's successor for this season.

The Huskies also were ordered to give up scholarships and \$1.4 million in television revenue.

The Pac-10, the only major athletic conference that conducts its own compliance investigations, will report the penalties to the NCAA, which can decide to levy more severe sanctions but cannot lessen them.

An England Victory, at Last
LONDON (AP) — England's cricketers won their first match since July 1992 when they bowled Australia out for 229 on Monday to win the sixth Test by 161 runs.

The English, who still lost the series, 4-1, had also lost to Pakistan, India (three times) and Sri Lanka since it beat Pakistan last year at Leeds. Its last triumph over Australia was in Melbourne in December 1986.

Mansell 2d in Indy Car Race
ELKHART LAKE, Wisconsin (AP) — Paul Tracy of Canada, despite an injured ankle and a sore neck from a crash two days earlier, led all 50 laps to win the Benson-Havoline 200 Indy car race by 27.46 seconds over Nigel Mansell of England.

Mansell, who had won the 1991 Indianapolis 500, finished fifth.

DENNIS THE MENACE



PEANUTS



CALVIN AND HOBBES



JUMBLE

THAT SCRAMBLED WORD GAME

Miss Davis: **DORRA**

Mr. G: **BOESE**

Mr. G: **MERRIP**

Miss Davis: **DOBOLY**

Answers: 1. DORRA, BOESE, MERRIP, DOBOLY

BLONDIE



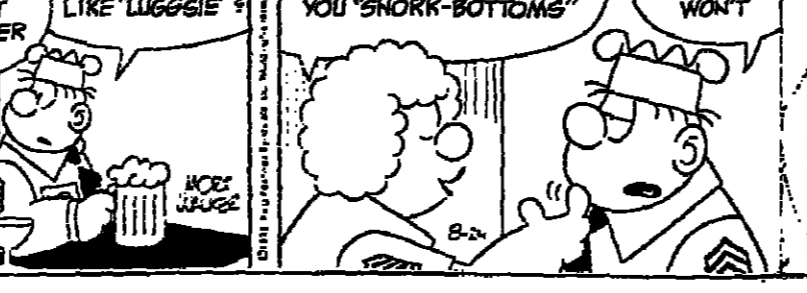
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SPORTS ATHLETICS

Reynolds and Cohort Set Pace for World-Class Prize Money

By Ian Thomsen

STUTTGART—When Primo Nebiolo gave Butch Reynolds a globally televised kiss on the cheek, did the International Amateur Athletics Federation's president also whisper one of the following?
a) "You are strong, very strong," as has been reported.
b) "In my country this kiss means death!"
c) "I will give you 167 Mercedes cars — this is my final offer."

ended him for two years. Last year a U.S. court awarded Reynolds \$2.73 million in his suit against the IAAF. This week Reynolds planned to begin seeking that money from the IAAF's sponsors in America.

No doubt Nebiolo had reasons for publicly making up with Reynolds, and that strategy will surface over the next two years. But the

SPORTS ANALYSIS

athletes might have their own plans. Led by the Americans, they will demand prize money for the next World Championships. Reynolds and others have predicted that \$50,000 will be a fair prize for each champion, an improvement over the \$30,000 Mercedes C-class automobiles awarded this year.

athletes toward control of their sport, loosening the grip of the career bureaucrats from the national federations whose votes are bought and sold in the political maneuverings that mark the IAAF. As the star athletes gain power, their representatives should be able to promote their sport in ways that might attract the slumbering American audience.

The U.S. federation has failed to promote at home the American stars whose performances drive this sport in Europe and elsewhere. If control of the sport belonged to representatives and administrators whose sole responsibility was to promote the sport through the athletes, the chances would improve of finding major meets and healthy television ratings in the United States.

Nourredine Mourcel of Algeria proved the power of the new professional athlete. The world record holder at 1,500 meters, he threat-

ed to boycott these championships unless he received appearance money. Nebiolo could not have this, having promised to deliver the top athletes for his World Championships sponsors. Negotiations were held and suddenly Mourcel was here, winning the 1,500 Sunday as if putting on an exhibition.

There is little doubt that Mourcel received future considerations of some kind, or gifts from sponsors such as Mercedes. Carl Lewis and his teammates at the Santa Monica Track Club almost certainly received a similar package for their appearance. Such negotiating lessons will sink in to the other athletes over the next two years. No one expects that the IAAF will simply acquiesce to such demands. Nebiolo respects power. Without solidarity among the athletes, the threat of a splintering boycott will hover over 1995.

Fans were grateful not to be distracted from

the marvelous events over nine days here. Linford Christie not only proved himself to be the world's fastest man, he created himself a niche as the Nolan Ryan of his sport. For Christie to run the 100 meters in 9.87 seconds at the age of 33 served to extend the career span for all athletes.

Perhaps the strongest effort was Jackie Joyner-Kersey's overtaking of the German favorite, Sabine Braun, in the final event of the heptathlon. At 31, Joyner-Kersey called it her greatest victory ever. Having seen her win while struggling through most of her events, her coach and husband, Bob Kersey, predicted she will go on to defend her two Olympic championships in the heptathlon at Atlanta in 1996.

With four victories, the Chinese women made clear their intentions of rivaling the Kenyan men in their dominance of the distance events. The Kenyans, with three golds, perhaps

found the competition to be more difficult than expected.

Then there was Lewis, winner of a mere bronze. It is easy to write him off at 32, but the qualities of age were put into perspective by his rival, Christie. More welcome is his upper back. He has lost his explosiveness since a car accident in February and this week in the United States he will be seeking relief from therapists for the tightness that so limited him in the opening stages of the 100 and 200 meters here.

But the most satisfied of all champions was Reynolds. Appearing in his first major meet since 1988, he earned the silver medal in the 400 meters, ran the third leg of the U.S. world-record setting 400-meter relay, and won not only a new car from Nebiolo but also a kiss that might, years later, come to be known as a ceremonial transfer of power.

Olympic Panel to Bring 28 Bosnian Athletes To U.S. for Training

By Christine Brennan

WASHINGTON Post Service
STUTTGART — The U.S. Olympic Committee has reached the final stages of a project to airlift 28 athletes and two coaches from Bosnia to the United States to live and train for several months, according to USOC officials.

The project, which is being paid for by a \$25,000 donation from a U.S. insurance company, is supposed to bring 15 tennis players, 13 swimmers and two swimming coaches — all selected by Bosnian Olympic officials — to several locations around the United States, said Alfredo LaMont, the USOC's director of international relations.

"The idea is to save a generation of athletes in Bosnia," said the USOC's executive director, Harvey Schiller. "These athletes are trying to train in a war zone. We've all read the stories coming out of Bosnia, and this is our way of trying to help."

The athletes are expected to arrive at the end of this month or in early September, LaMont said, provided visa arrangements are completed. They will be in the United States for up to a year, depending on their visas.

"You see the pictures of what's happening there and we'd all like to reach through the TV set and pull those people out and help them," LaMont said by telephone from Colorado Springs. "Well, this is our chance."

He cautioned, however, that the athletes needed to obtain visas to enter the United States. To do that, they must leave Bosnia and reach a U.S. Embassy or consulate in another nation, said Stephen Bull, the USOC's director of government relations.

He said the USOC had notified the State Department to expect athletes to be requesting visas in places such as Croatia and Turkey. "We've told the State Department, and they seemed fine with it," Bull said. "We're firing off letters to U.S. embassies, giving them notice that people are going to be knocking on the door, applying for visas, that it's a legitimate program. So far, we've had no problems with the State Department, and we don't anticipate any."

Athletes have had trouble in the past getting out of Bosnia to reach another country's embassy. Turkish Olympic officials were hoping to bring some Bosnian athletes to Istanbul in December, but it was March before several got out; others didn't arrive until June.

The USOC plan calls for a second wave of Bosnians to come to the United States, LaMont said. They include one speed skater, a handball team, up to a dozen gymnasts and perhaps some basketball players and loggers.

All the athletes involved in the airlifts are between the ages of 15 and 19, LaMont said.

The plan was formulated in the spring at a meeting involving Schiller and several Bosnians living in the United States at USOC headquarters in Colorado Springs, Schiller said.

American Business Insurance, a company that the USOC uses to insure its athletes, agreed to pay for the project, LaMont said, adding that no USOC money had been

Women's Sudden Success Raises a China Question

By Randy Harvey

Los Angeles Times Service
STUTTGART — The Chinese fireworks one night last week jammed traffic for hours. But no one complained because the show was spectacular.

Equally eye-catching but less appreciated was the success of the Chinese women runners at the World Championships. The Chinese do not claim to have invented running, and until recently, have not been particularly accomplished at it. So questions have been raised.

This spectacle started on the third night of the championships, when the Chinese finished 1-2-3 in the 3,000 meters. Their times were not exceptional because of a tactical first 800 meters, but the winner, Qu Yunxia, ran the final 2,000 meters in a time that would rank her as the fifth best for that distance, the final 800 in a time 2:03 and, like her teammates, hardly appeared winded during a victory lap.

Qu had only the 75d-best 3,000 time in the world last year, which was 26 seconds slower than her winning time here. But she at least entered the race with credentials, having finished third in the 1,500 in the 1992 Olympics.

The silver and bronze medalists, Zhang Lini and Zhang Lirong, were not ranked among the top 35 in any event last year, and although Lirong had shown promise this summer, Lini came from the twilight zone. Breaking the world junior record, she bettered her personal best in the final by 16 seconds.

The story was similar in the 10,000 on Saturday night, when the Chinese women finished 1-2. The silver medalist, Zhong Huan, was fourth in the Olympics but the winner, Wang Junxia, had only the 56th-best time in the world in 1992. Her time was 1 minute, 40 seconds faster than her previous best.

Then Sunday, in the 1,500, Dong Lin beat her personal record by almost five seconds, winning in 4:00.50. Another Chinese woman was fourth.

"It's inexplicable," Lynn Jennings of the U.S. team said. "Perhaps. But speculation has been rampant. It is based largely on the fact that the Chinese system, although not structured as a mirror image of those that existed in the Soviet Union and East Germany, has employed numerous coaches from those former super powers."

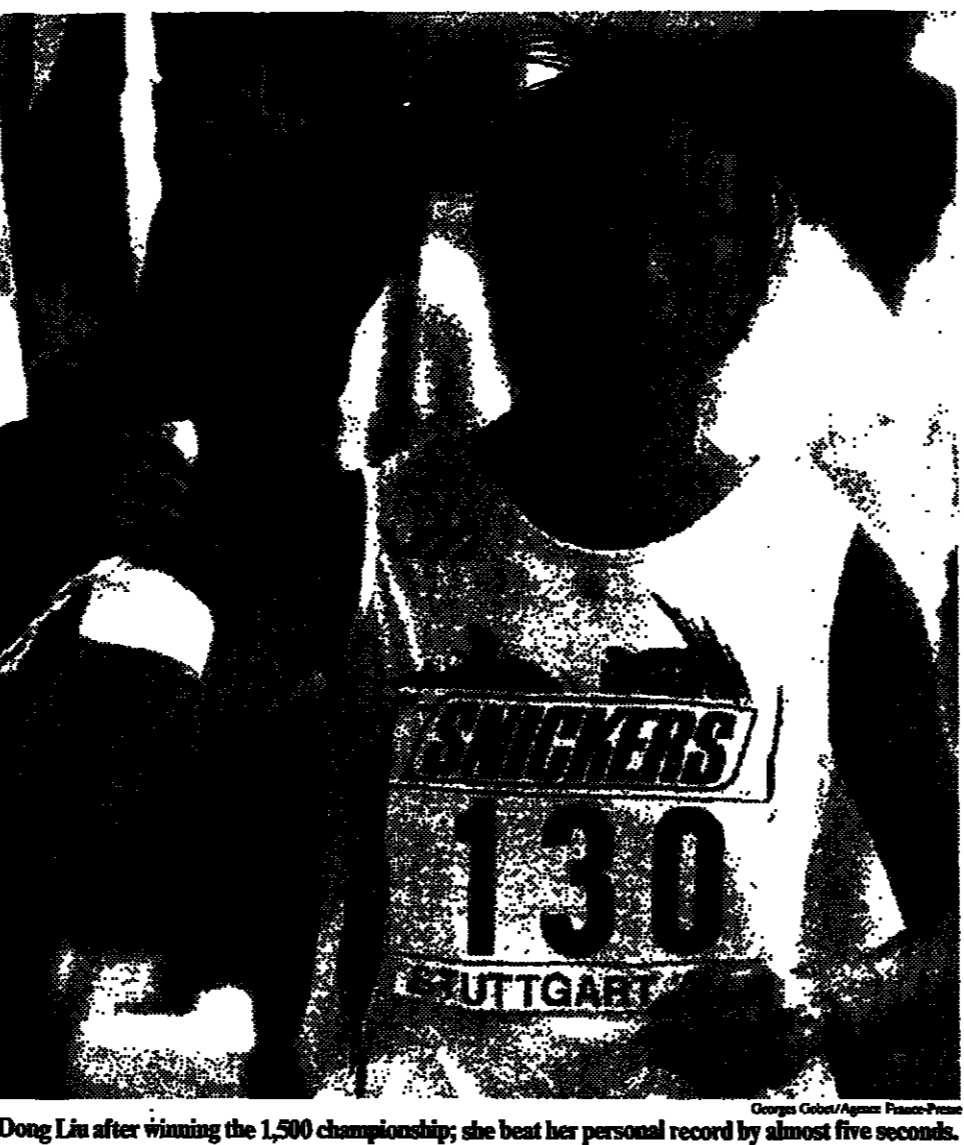
Of course, the East German coaches is a euphemism in the sport for illegal, performance-enhancing drugs, which fueled East Germany's so-called "Miracle Machine."

The International Amateur Athletic Federation has found no evidence that the Chinese are less vigilant than other countries. Granted permanent visas to conduct random, out-of-competition tests in China, the IAAF has found three positives in 50 samples during the last 16 months.

Six percent is not low. But because of the cooperation they have received from the Chinese, IAAF officials do not appear concerned that the problem is state-controlled, as it was in East Germany. Doubts persist, however.

This suspicion is creating a dilemma for the International Olympic Committee, which will vote one month from Monday on whether to award the 2000 Summer Games to Beijing, or Sydney, or Manchester.

On one hand, the Chinese have enhanced their bid with their improvement in athletics. As proud as they are of their accomplishments here, they were even more encour-



Dong Lin after winning the 1,500m championship; she beat her personal record by almost five seconds.

SCOREBOARD

BASEBALL

Major League Standings

Table with columns for League, Team, W, L, Pct., GB.

NATIONAL LEAGUE

Table with columns for Team, W, L, Pct., GB.

Baseball Line Scores

Table with columns for Team, Score, Pct., GB.

TRANSACTIONS

Table with columns for Player, Team, Position.

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VOLVO INTERNATIONAL TOURNA-MENT

In New Haven, Connecticut
Final
Andrei Morozov (5), Ukraine, def. Petr Korda (4), Czech Republic 7-6, 6-4.

FOOTBALL

The AP Preseason Top 25

Table with columns for Rank, Team, Record, Pts, Pct.

NFL Preseason

Sunday's Results
Washington 18, Pittsburgh 3

CRICKET

SIXTH TEST
England vs. Australia, Test Day
Monday, in London

SOCCER

WORLD CUP QUALIFIERS
Group A
Argentina 2, Peru 1

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Large advertisement for Herald Tribune subscription, including pricing and contact details.

ART BUCHWALD

15,000 Pizzas to Go

MARTHA'S VINEYARD, Massachusetts — I wish to make one thing perfectly clear. The people of Martha's Vineyard have no intention of profiting on President Clinton and his wife, Hillary. We expect to make our money on the Secret Service. There are now an estimated 15,000 Secret Service men on the island, not counting Clint Eastwood, and they all eat pizza after every shift. So in every kitchen on the island, families are working 24 hours a day producing pizza for the president's bodyguards.



Buchwald

The first inkling we had that the president was coming here for his vacation was when two well-dressed gentlemen showed up in the chief of police's office in July and said, "We want 2,000 of your people to guard the road, 3,000 more on the beaches, and we'll take all the mounted patrolmen you've got."

The chief said, "I have only seven men on the force." "Good," said the Secret Service agent. "We'll take them."

"Who is going to pay for it?" the chief asked.

The Greatest Hits Of Chairman Mao On Double Disks

BEIJING — It may not be an instant chart-topper, but a set of compact discs featuring Mao Zedong will be in stores next month. The two-disc set, titled "Sounds of the Giant Mao Zedong," features seven of his speeches. It is part of the nationwide phenomenon of trying to cash in on the 100th anniversary of his birth, which is Dec. 26. The speeches were from 1949 to 1956 and include Mao's announcement of the founding of the People's Republic of China on Oct. 1, 1949, made from a reviewing stand atop Tiananmen Gate, at the entrance to the imperial palace.

"Don't worry. It will be in the president's next budget." The vacationers and residents of Martha's Vineyard are torn as to whether they want the president on the island. In a recent referendum the resort was split 50 percent for and 50 percent against. The vote was so close that the president is bringing in Vice President Al Gore to break the tie.

People are not faulting Clinton for coming here — it's that we islanders will never be the same after his visit. Rumor has it that six luxury cruise ships jammed with tourists on their way to Bermuda heard the president was here, and the boats were ordered by the owners to turn around and head back at full steam for the Vineyard.

The ferries from the mainland are chock-full of gay visitors who were all promised that if they bought air tickets they could have a golf game with the president.

The restaurants are jammed with hungry visitors who can't get anything to eat because all the college kids who have been working on the island have quit to "see" the president.

But the worst thing is the psychic blows inflicted on the people of the Vineyard. Everyone hopes in his heart to be invited to a social event attended by the President and Mrs. Clinton.

It's a typical have and have-not situation — those who have invitations don't give a damn about those who don't. The people not invited have two choices: one is to say they wouldn't be caught dead at the summer White House; the second is to put on their snorkel masks and refuse to talk about what they did while the Clintons were here.

Another way to handle not being invited is to pretend you have been. "Did I see the Clintons when they were here? You know and I know I can't answer that question. Let's just say they drove us home after Jackie's dinner and leave it at that."

"What I admire about the president when he's at the beach is that even if you make over \$200,000 a year, he never kicks sand in your face."

The Hard Sell in the World of Romance

By Sarah Lyall
New York Times Service

NEW YORK — Lynne Chandley of Elizabethtown, Kentucky, is a 35-year-old legal secretary who once dreamed of dating a rock star. So it seemed natural for her to write a book about a romance between a legal secretary and a rock star. He's her dream boyfriend, with a drug problem that was cured long ago and flowing blood hair that is scampulously clean. Of course, their relationship is threatened when their worlds collide. "She's the guardian of her 16-year-old sister, Cassie, and her sister becomes pregnant by the drummer in the band," Chandley said. That's not all: the heroine, too, even though she had thought she was infertile.

But the fictional problems of these characters seem simple compared with the author's real difficulties in trying to work her completed manuscript published. Already at work on a second book, even though no one has bought the first, Chandley is longing for some agent, some editor, some publisher to take an interest. If one does, she hopes, her book might be one of the 1,500 romance novels published in the United States and Canada each year, not to mention translations around the world.

The literati may sneer, but publishers desperate for profit cannot ignore romance novels, which account for a \$75 million industry and account for 42 percent of mass-market paperback fiction sales in the United States, according to industry figures.

Romance novels have a loyal readership that allows them to flourish even when critically acclaimed literature may fail. Before the 1980s, most romance novels were set in distant times and places, with men on white horses sweeping impressionable young women off their feet. In the past 10 years, the romance genre has broadened considerably to encompass such devices as ghost stories, reincarnation and time travel. But many new books are also tackling contemporary topics from homelessness to divorce to single parenthood.

Whatever the new directions, they seem to be working. At Avon Books, said Bruce Brill, a vice president and director of sales, the romance novel line has generated \$500 million in net revenues since it was formed in 1972. With the publisher now offering six or seven new romance titles a month, Brill said, the total could reach \$1 billion by 2000. And at Barnes & Noble Bookstores Inc., which estimated several years ago that the average romance reader spent \$12.20 a year on these books, Karen Patterson, the romance buyer, said customers rarely purchased just one book at a time.

"They're very regular customers," she said. "We have a romance newsletter that goes out every two months and they come in with little checks in the boxes behind the titles. They know their authors and they know what they want."

Still, romance writers say the New York publishers who depend on their business treat them with less than complete respect. "They love depressing literary fiction," said Robin Lee Hatcher, president of the Romance Writers of America and the author of 17 novels. "They love books that say, 'Here's life: let me depress you for a few hours and at the end you'll know that there's no hope left, life is awful and we all die.'"

But popular fiction gives you hope for what you believe in. Maryann Palumbo, the vice president for marketing at Penguin U.S.A., said that while romance authors might

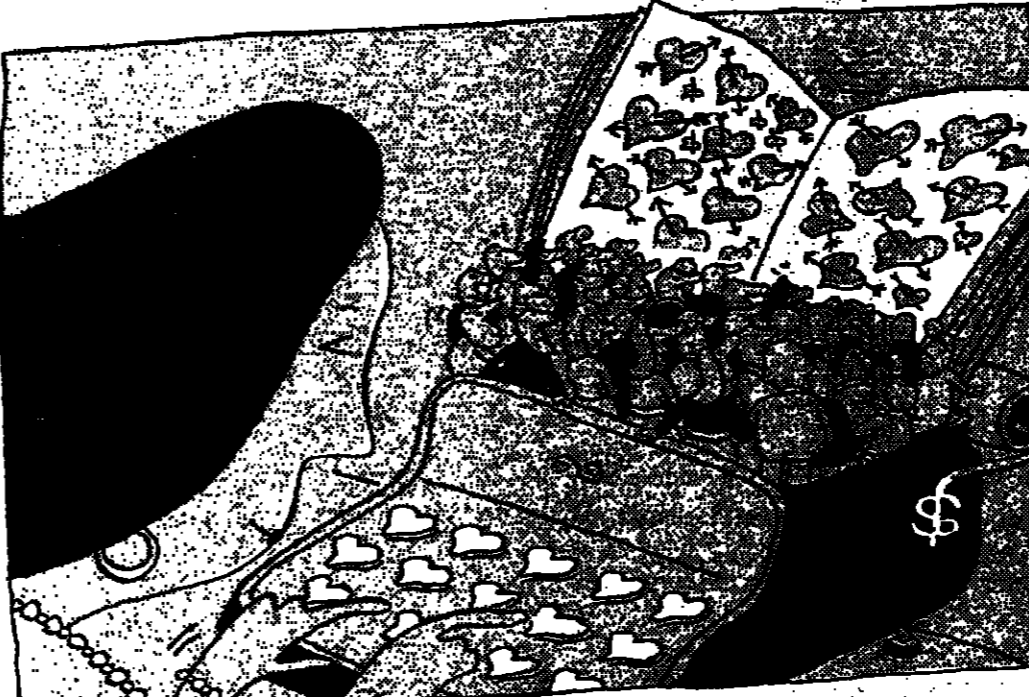


Illustration by Bob

again that while romance encompassed many subgenres, there were still rigid norms to be followed. "The most important thing is the romance," said Dorsetta Thompson, 37, who lives in Ontario, Thompson is at work on two novels, one involving a poor young woman who falls in love with a rich man against the backdrop of Broadway at the turn of the century. "And then they have to deal with conflict, both external and internal," she said.

And, of course, the conclusions are the same. "After the conflict, which brings them together and keeps them apart, it always has to have a happy ending," said Patricia Shimmin, 42, of Bloomington, Indiana. She is writing a novel about a woman who, after meeting a straitlaced advertising executive at an anti-eviction rally (he works for the apartment building), prevails on his generosity to finance a homeless shelter run by her family.

"Romance novels always take you someplace you can't go yourself," Shimmin said. Would-be novelists could learn a thing or two from Nora Roberts, an immensely successful author who has graduated from Harlequin-style series romances — which are numbered, have a uniform number of pages, and bear covers that look alike — into books that people buy just because she wrote them.

"I'm an instinctual writer, not really trained," said Roberts, who has written more than 80 books. She seems to have the quality that romance novelists need the most: a love of romance. She also isn't opposed to a little passion in the pages. "The wonderful thing about this kind of writing is that you can have incredible sex with all types of men in complete safety and your husband doesn't even have to be jealous," she said.

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PEOPLE

Vampire Author Sinks Fangs Into Tom Cruise

How's this for a backhanded compliment: Tom Cruise is too "Moon and apple pie" to be cast as a French-speaking, semi-androgynous vampire from the 19th century, according to the author Anne Rice. Cruise and Brad Pitt have been miscast in the lead roles in the film version of her novel "Interview with the Vampire," she says. "It's like casting Black Finn and Tom Sawyer," she said, adding that Cruise should do himself and everyone else a service and withdraw.

Michael Jackson launched the Asian leg of his world tour on Monday in Bangkok with a news conference at which he spoke eight words and left hundreds of female fans screaming his name. Jackson said only, "I love you. Thank you very, very much," and left the stage waving from a three-wheeled Thai taxi known as a tuk-tuk. U.S. Embassy officials are urging South Korea to reconsider its refusal to allow Jackson to perform in Seoul.

A Gallup poll of moviegoers for Entertainment Weekly magazine shows Clint Eastwood and Julia Roberts are the public's favorite actor and actress respectively, currently working. Asked what type of movie Arnold Schwarzenegger should do next, 25 percent said action comedy, 20 percent said action comedy, 20 percent said action comedy, 20 percent said they "couldn't care less."

The Little Mermaid had her 80th birthday on Monday, and an ambassador, a military band and a fire brigade turned up for the party. The girl-sized bronze, at the harbor in Copenhagen, was created in tribute to Hans Christian Andersen, who in 1834 wrote a fairy tale about a sea king's daughter who fell in love with a prince.

Donald Trump, famous for naming buildings after himself, said Monday that his unborn daughter with Maria Maples may be named after his Trump Tower neighbor, Tiffany.

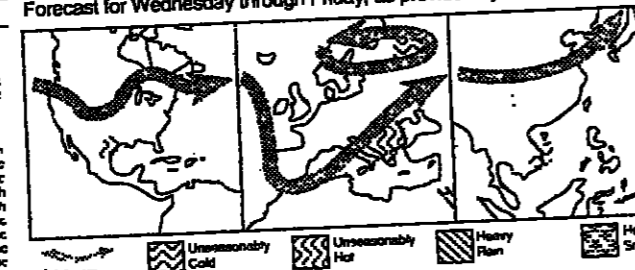
INTERNATIONAL CLASSIFIED

Appears on Pages 3 & 6

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.

Table with weather data for Europe, including High, Low, Wind, and Precipitation for various cities like Algiers, Athens, and London.



North America: A late-summer spell of heat will stretch from Chicago to Detroit southwest to Cincinnati and Washington, D.C. Wednesday through Friday, high temperatures will generally be in the lower and middle 30s. A turn to drier and milder weather is expected in Vancouver, Sunshine will warm Los Angeles.

Table with weather data for Asia, Africa, and Latin America, including High, Low, Wind, and Precipitation for various cities.

Table with weather data for Oceania, including High, Low, Wind, and Precipitation for various cities like Sydney and Melbourne.

CROSSWORD

- ACROSS: 1 Vapid, 6 Skywalker of 'Star Wars', 10 Level structure, 14 Jobs, 15 Minor, 16 Former spouses, 17 Problem seen in medical circles?, 20 Baum's terrier, 21 Pot top, 22 Pinza was one.

- DOWN: 3 Greek vowel, 40 Metairie, 42 --- of the essence, 45 Did she travel in religious circles?, 46 Hops kin, 48 --- years, 49 Benoit, 50 Jackie's second, 54 Maui town, 55 What are struck in some family circles?, 56 Pokor payment, 57 Director, 58 Gangster's moniker, 59 Campus V.I.P., 67 Travels in Northern Greece's author.

Solution to Puzzle of Aug. 23. A crossword puzzle grid with filled-in words.

NEW YORK TIMES

A crossword puzzle grid with some words filled in.

- DOWN: 1 Cake-recipe verb, 2 Comedienne, 3 Charger, 4 Tense, 5 Superlative ending, 6 Oatmeal, 7 People, 8 MacLaine film, 9 Josh, 10 Sanguinary hill dweller, 11 W.W. II Rees, 12 Jupiter's counterpart, 13 He, in Napoli, 14 Armbones, 15 Taken (surprised), 16 "Hill", 17 Kind of room, for short, 18 Silver, in Sevilla, 19 King who founded Bangkok, 20 --- Gay, W.W. II plans, 21 Thing of the past, 22 Red and Black, 23 Some charts, 24 Give the bassy-bo, 25 Writer Calvino, 26 Murray the K et al., 27 Pick-me-up, 28 Hammer, 29 Entrance for 47, 30 Down pollutants, 31 Met melody, 32 Minn. neighbor, 33 African fox, 34 Silent approval, 35 Dined, 36 March or Roach.

If you're going to travel all over the map, here's how to call from almost any point on it.



Table titled 'AT&T Access Numbers' listing international phone numbers for various countries like Albania, Armenia, Austria, etc.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple is all part of 'The 1 Plan' from AT&T.